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VOLUME II

# **MAN** *in Society*

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John C. Kenyon

## *To the Instructor*

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The two volumes of *Man in Society* are an outgrowth of more than a decade of experience in developing an integrated social science course at Kansas State College. From the preparation of the first "syllabus" on "Man and the Social World" in 1944 to the typescript for the present publication, there have been nine revisions. The rigorous test of experience inspired those who were working in the course to revise and reorganize material extensively. At first, efforts were directed toward arranging assignments based upon available textbooks and reference material. It came to be realized, however, that no combination of textbooks blended the social sciences into an integrated study to serve the purposes of the course. This situation led to less reliance on published textbook material and more reliance on material written by some members of the staff.

By 1949, it seemed appropriate that the materials which had been developed for the course should be put into textbook form. The authors were convinced that the process of combining the various customary social science disciplines into one self-consistent course—though not then achieved—could, by continued effort, be carried out. Since then, revision has continued by way of deleting material, adding material, reorganizing subject matter, and writing to achieve clarity and simplicity of expression as experience in the classroom dictated. In this process, no one of the social sciences was excluded or included merely to give particular emphasis to a unified social science discipline. Rather, the major effort has been to interweave data from each of the social sciences as needed in the presentation of any topic.

To achieve a satisfactory synthesis in this area is a most difficult task, as the experience of the authors has led them to realize. They do not claim to have discovered a perfect solution to the problem. But the approach herein used is one which has proved meaningful

to students. The student is given the opportunity to understand and appreciate the significant social forces that bear upon him, forces that are not isolated one from another but which have a collective impact upon him at any given time. When a student comes to this realization, he can view with increased understanding the many causes of social phenomena, the important principles of social relationships, and the interrelationship of social problems and tensions. He is then better able to discriminate regarding alternative social values and to make an intelligent judgment for himself. A more detailed explanation of this approach is presented in Chapter 1 of Volume I.

In presenting the material to the students, the authors have found it more effective to present background material in conjunction with each topic. Originally, Volume I was composed chiefly of background material. When the student came to topics in Volume II, however, he often had forgotten the background material or failed to correlate it with the subject being considered. Introducing a section with background material or weaving such material into the presentation of the topic has resulted in more satisfactory learning and understanding.

Frequently, semantics presents difficulties. This problem has been met (mostly from student suggestions) by including chapter glossaries of terms defined as applying to the chapter. In this way, those engaged in reading and discussing the material are given common meanings of the terms as they are used.

In the long process which has found fruition in these volumes, obligations too numerous to list completely have been incurred. Staff members have rendered a devoted service that is reflected in each chapter. Their criticisms and suggestions have come from actual teaching experience with the material, and this text in its present form could not have been written without their help.

The authors owe a considerable debt of gratitude to their thousands of students, many of whom have taken the course with apparent pleasure and profit. They have offered their suggestions and criticisms—sometimes unintentionally and certainly more than they have realized—so as to make the material reflect their needs for understanding the modern, complex society of which they are members.

Certain persons among many helpful friends and colleagues deserve special thanks for their encouragement and help. Professors Edgar S. Bagley and James O. Bray of the Department of Economics



and Sociology at Kansas State College, Professor Jack C. Kier of the Department of Business Administration, and Professor Earl E. Edgar, head of the Department of General Studies, have read parts of the manuscript and have offered valuable suggestions as to exclusion, inclusion, and rearrangement of material. Former President Milton S. Eisenhower helped to conceive the general education program at Kansas State College and was a staunch supporter of it. The support given by President James A. McCain, A. L. Pugsley, Dean of Academic Administration, R. W. Babcock, former Dean of the School of Arts and Sciences, and the Board of Regents of the State of Kansas has been extremely beneficial to our phase of the general education program; without their support our work would have been impossible. We are also appreciative of the co-operation given by members of the social science departments, particularly the chairmen.

In acknowledging the indebtedness to all without whose aid the work could not have been published, the authors rightfully assume responsibility for any errors of fact or of emphasis.

# *To the Student*

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This book deals with man in his social environment. It is concerned with how people interact, with the basic institutions man has set up to maintain and foster those ideas he has learned to value, and with how he controls the activities of the individual for the good of the many. It traces man's search for a world organization that will permit the diverse national and regional institutions and controls to flourish in peace and security.

The events of the past two decades, especially, have forced upon us the compelling necessity of becoming as intelligent and informed in our citizenship as it is possible for us to be. Even allowing for the exaggeration which normally characterizes interpretations of contemporary events, there can be little doubt that the development of nuclear energy leaves the people of the world with the alternatives of learning to live together in peace or destroying civilization as we know it.

In his day-to-day living, man does not compartmentalize; that is, he does not act as an economic being one day, a political being the next, a religious being the next, and so on. Rather, he acts as an economic-political-religious-social being all at the same time, and, though in any activity one or another of these "sides" of his being may predominate, it is not fully understandable without reference to the other elements in his make-up. We have tried to keep this realism, remembering in all discussions of specific sides of man's activity that he always acts as a *whole* being.

The chapters of the book are intended to be informative, of course, but we hope they will also lead to further reading and to discussion both in and outside the classroom. The suggested readings at the ends of chapters are intended to give practical material for further thinking and discussion, and we hope that the definitions of

terms will help keep the discussions on a common, agreed ground.

The study of man in his social relationships is a difficult one, but we hope that before the end of the course you will agree that it can be both interesting and exciting.

# *Table of Contents*

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## **PART I CONTROLS IN SOCIETY**

1	Liberalism and Conservatism	3
2	Democracy and Authoritarianism	24
3	Planning in Society	45
4	Public Opinion	69
5	Agencies for Formulating Public Policy	92
6	The Positive State	120
7	Law and the Courts	147
8	The Securing of Rights	173
9	Minorities and Their Recognition	203

## **PART II SOCIAL POLICY**

10	Social Reform Movements in the United States	231
11	Recent Social Reform	256
12	Health and Recreation	285
13	Public Finance	305
14	National Income and Fiscal and Monetary Policies	337

## **PART III A WORLD SOCIETY**

15	Development of a World Society	371
16	The United States and Isolationism	397
17	The United States and Latin America	418
18	The United States and the Far East	444

<i>19</i>	World Conflict	466
<i>20</i>	The Quest for International Security	490
<i>21</i>	Economic Nationalism	512
<i>22</i>	Divided World Society	532
<i>23</i>	Role of the United States in a Divided World	554
<i>24</i>	Postwar International Problems	578
<i>25</i>	World Peace and International Co-operation	604
	Index	635

# *List of Figures*

---

1	A Political Spectrum	14
2	National-State Planning Makes Interstate Highways Possible	49
3	The TVA System	53
4	Major and Minor Political Parties	98
5	Political Party Organization	102
6	Executive Office of the President	126
7	The Merit System Grows	138
8	The Functioning of the National Court System	154
9	Trend of Reform in the United States	233
10	Functioning of the Social Security Program	265
11	Death Rates for the Ten Most Important Causes of Death, 1953	292
12	The Nation's Ledger from 1930 to 1953	318
13	National Income	338
14	The Federal Reserve System	350
15	Federal Reserve Districts	351
16	Voyages of Discovery	376
17	Imperialism around the World—1914	389
18	The American Empire	411
19	The Latin-American Republics	419
20	Organization of American States	437
21	Asia as of September 1, 1939	458
22	Balance of Power to 1914	471

<i>23</i>	Europe before and after World War I	491
<i>24</i>	United States Foreign Trade	513
<i>25</i>	Events Leading to World War II	533
<i>26</i>	Occupation Zones in Germany and Austria	580
<i>27</i>	Foreign Aid	595
<i>28</i>	Organization of the United Nations	607
<i>29</i>	North Atlantic Treaty Organization	621
<i>30</i>	America's Global Commitments	628

# *List of Tables*

---

<i>1</i>	Governmental Finances, 1950	306
<i>2</i>	Expenditures of the National Government, 1950	306
<i>3</i>	Expenditures of the State Governments, 1950	307
<i>4</i>	Revenue, Expenditures, and Indebtedness of the National Government, 1933-1950	311
<i>5</i>	Revenue Sources of the National Government, 1950	311
<i>6</i>	Debt of National Government (Selected Years)	316
<i>7</i>	Sources of State Revenue, 1950	320
<i>8</i>	Debt of State Governments (Selected Years)	325
<i>9</i>	Sources of Revenue of Local Government, 1950	327
<i>10</i>	Indebtedness of Local Government	329
<i>11</i>	National Income, by Distributive Shares (Selected Years)	338
<i>12</i>	Gross National Product or Expenditure (Selected Years)	339
<i>13</i>	Relation of Gross National Product and National Income (Selected Years)	341
<i>14</i>	Types of Money in Circulation in the United States, December 31, 1953	349



# *Man in Society*

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VOLUME II

## PART I *Controls in Society*

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In Volume I of this book, we considered certain broad areas of the development, structure, and functioning of society in order to provide a general understanding of man-in-society. The first of these areas is man-in-society as a person having original nature traits. These traits were related to social environment to describe man as a human being faced with making decisions that result in acceptance or rejection of social values. The second area, which concerns man-in-society in his social relationships, includes some of the institutions and social processes that enable society to function in meeting the social needs of individuals and groups. The third area concerns the organizational features of society. Business and the state were discussed not only in their organizational aspects but also according to their functional processes. In addition, interest groups, such as businessmen, laborers, farmers, and consumers, were described, each as having its own particular interests and influencing social organization and processes.

Man is probably concerned less about the structural organization of the society in which he lives than about the manner in which he is permitted to carry on his activities. He is particularly conscious of the limitations and freedoms that govern his actions as a social being. In this Volume, considerable attention is given to the controls, both theoretical and actual, which society places upon individuals and groups in their interrelationships. Part I, "Controls in Society," is devoted to this aspect of the social order.

The general framework of social controls has been of considerable interest to the members of the society. The ideas, principles, or theories forming the basis upon which this framework is built are fundamental to understanding the manner in which a society functions. They are presented here under the title "Theories of Group Control."

Two of these countervailing theories—liberalism and conservatism—have competed historically for the loyalties of men. These two attitudes espouse two principles—that of social change on the one hand and, on the other, that of society's resistance to change. Within any social group, forces and conditions operate to bring about changes, revisions, and re-evaluations of the objectives and structures of the social group. The proposed changes may involve the structure and functioning of the group—for example, the adoption of new purposes or goals or of new techniques or uses to achieve established purposes or goals, or the acceptance of new leadership or of a new method of choosing leaders. The word *new*, of course, is used advisedly. It does not necessarily mean "something entirely unknown." Rather, something "new" may mean a change within techniques or purposes already long in use. Newness, therefore, is a matter of degree.

Likewise, forces are present within any group which delay or prevent the acceptance of changes in goals and techniques. Folkways, mores, social control—in fact, culture in its totality—all tend to build resistance to change. Social habits and customary evaluations tend to support existing social processes and institutions without raising questions as to their actual effect on society. These two forces, change and stability, are always present. People

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in every social group help to bring about change or to preserve stability, depending upon the specific questions or issues that arise. In general, those who advocate changes in the social order are called liberals, and those who seek to maintain the *status quo* (the existing state of affairs) are called conservatives. This distinction alone, however, is not enough to classify these two groups of people accurately. Each group has a long and varied history and a number of characteristics. The purpose of this chapter is to describe the traditions of liberalism and those of conservatism and to point out the distinguishing characteristics of each.

## GENERAL NATURE OF LIBERALISM AND CONSERVATISM

### *Meaning of Liberalism and Conservatism*

In its broadest sense, liberalism is a fundamental mental attitude which, having as its primary principle (although not its only one) the spiritual freedom of mankind, sets up the ideal of a free individual, conscious of his capacity for development and self-expression. In the consciousness of his capacity for development, the free individual is not satisfied with his situation and desires to adopt for himself and to urge upon others programs of social, economic, and political change. As we have said in Volume I, Chapter 14, liberalism was a doctrine adopted by many members of the middle class during the nineteenth century and was developed into a rational theory of society in all its aspects.

The conservative view of society had its origin at the time of the rise of the middle class, with the latter's doctrine of liberalism. Most leaders of early conservatism in Europe were members of the ruling class—the nobility, the upper clergy, the extremely wealthy, and the bureaucracy—all defenders of vested interests. Opposing the rational social theory of liberalism, they sought a theoretical justification for their own viewpoint. They developed the social and political philosophy which, by the middle of the nineteenth century, came to be called conservatism.

In a broad sense, conservatism is a view of society characterized by the tendency to maintain the *status quo*. As contrasted with liberals, conservatives have little confidence in man's ability to improve the social order by reason or in the ordinary man's capacity for self-expression and self-improvement. Conservative thinking rejects the liberal conception of the state as an institution which men

set up for their security and convenience, and which they can reorganize at will. The conservative regards the state as a creation of divine will or as a result of slow, almost organic<sup>1</sup> growth. Likewise, law and property rights are regarded as the products of a slow evolution through many generations. Consequently, conservative thinking, at its extreme, opposes any attempts to improve the existing social order by rational proposals or to reform social institutions by radical means. Conservatism, therefore, puts its confidence in the tested institutions of the past rather than in experiment with new legal and political institutions. Any change that is not the result of slow, organic evolution (which can mean any change whatsoever) is considered dangerous. This concept of organic growth also involves the idea that a mere change in institutions cannot relieve the world of social evils.

Although the concepts of change and stability are most helpful in comprehending the meaning of liberalism and conservatism, another concept may be added. The conservative is likely to believe in nearly absolute rules by which society should operate. Once having adopted such rules, he resists making any exception to them. The liberal, on the other hand, is more favorably disposed toward experiment and less inclined to believe that unchangeable laws govern the operation of society.

In even these brief explanations of the meaning of liberalism and conservatism, we can see that neither is a clear-cut and fixed program for action and inaction. Rather, each is primarily a way of life involving certain types of behavior and a manner of judging life, institutions, and human beings.

### *Conditions Contributing to Liberal and Conservative Attitudes*

Several conditions may give a liberal or conservative emphasis to a social group or to persons within the group. Each of these conditions is no doubt decisive in some cases, though in any group there are persons not influenced by these factors in the way that one might expect.

First, the age of a person seems to influence his attitude toward social change. Restlessness, discontent, and change are characteristics of youth but gradually decrease with advancing years. As a rule, greater age brings reluctance to try innovations and experi-

<sup>1</sup> In this sense, *organic* denotes the belief that society is a complex whole—that is, a unity in which the relations of the parts involve relations to the whole and any changes must come as a result of the growth of the unity and its co-ordinated parts.

the schools, the cultures of past and present are knit together and projected into the future. This process tends to preserve not only the political order but also the entire social order.

### *Liberal and Conservative Attitudes toward Social Change*

Not all of the characteristics of liberalism can be included under the heading of advocacy of change. A program of social change may not get the support of the liberal, who then becomes a defender of the *status quo*. On the other hand, the conservative may support such a program, thus becoming an advocate of change under certain circumstances. A distinction may be found: the kind of change advocated under conservative sponsorship is that which readjusts society toward an earlier or a traditional pattern or restores a set rule or formula as a basis for social behavior. An example of such "change" was the advocacy by a conservative President, Warren G. Harding, of a "return to normalcy." After a period of reforms under Woodrow Wilson and the upheaval of World War I, a conservative appeal was made to restore the conditions of tranquillity of an earlier period. At the same time, liberals resisted the "changes" advocated by the Harding administration. For example, they opposed a return to a high protective tariff system, revision of income tax rates to relieve the wealthy, and modification of governmental regulations which encouraged the growth of business consolidations.

The forces in society that build up resistance to change are not limited to the preservation of acquired social advantages. Folkways and mores provide a means of establishing more or less fixed patterns. These customs may be approved of by people who do not benefit but actually suffer from existing patterns. The influence of conservatism may be strongest among the privileged groups, but it is likely to extend throughout society, just as does liberalism, which may be strongest among the less privileged. Conservatism, for instance, is identified with rural life, even among those who are at a disadvantage in rural society.

Some people identify conservatism with stability and with great traditions. They believe that all great peoples or nations are conservative, patient, wedded strongly to law and customs, willing to accept existing errors and weaknesses, and slow to adopt innovations. To these people, the conserving function of society is its greatest function, and history is likely to be regarded as the best guide for decisions. Change, if it takes place, should result from natural and irresistible forces, since man is not capable of interfer-

into the framework of government, the liberal movement then turned to consideration of the use of the state for social and economic purposes.

Until recent years, the idea was general that under the Constitution of the United States democratic processes prohibited extensive governmental management of the economy or regulation of the acquisition of wealth. Acting according to this interpretation of the Constitution, the judiciary blocked social legislation by declaring it unconstitutional. Consequently, liberalism, taking a new form, called for governmental intervention in social and economic affairs, and gave up the nineteenth-century *laissez faire*, which became identified with twentieth-century conservatism. Although their views and ideas varied, a number of political leaders and scholars recognized this new type of liberalism. The judiciary did not recognize quickly the revolutionary economic and social changes which had taken place and the transition of liberalism away from *laissez faire*. In 1915, Justice Louis Brandeis wrote as follows:

Political as well as economic and social science noted these revolutionary changes. But legal science—the unwritten or judge-made laws as distinguished from legislation—was largely deaf and blind to them. Courts continued to ignore newly arisen social needs. They applied complacently 18th century conceptions of the liberty of the individual and of the sacredness of private property. Early 19th century scientific half-truths, like “the survival of the fittest,” which translated into practice meant “the devil take the hindmost,” were erected by judicial sanction into a moral law. . . .<sup>2</sup>

Conservatism, like liberalism, has tended to link economic and political issues. Besides opposing extensive governmental intervention in economic affairs, conservatives who hold political power also resist the sharing of that power. The same resistance has been made to changes in the structure and operations of government. In the first place, the most direct beneficiaries of a given political institution are not likely to favor its reorganization. Foremost among those people are the officials themselves. For example, the proposal of a change of State legislatures in the United States from the bicameral to the unicameral form meets strongest opposition from members of the two houses who would face the elimination or merger of their

<sup>2</sup> Reprinted by special permission, from the *Illinois Law Review* (Northwestern Univ. School of Law), 7 (1916), pp. 463 and 464; available also in Alpheus T. Mason, *Free Government in the Making* (New York: Oxford Univ. Press, 1949), p. 693.



prices, unemployment, and the like are to be met adequately. In addition, organized groups of businessmen now look to government for services, protection, guidance, and many other things quite unknown to the theory of *laissez faire*.

## EXTREME LIBERALISM AND CONSERVATISM

Since the program of contemporary liberalism involves state intervention and control, one of the questions raised is that of the checks to be placed on this movement. What limits of change can be established without losing the basic characteristic of any free society—the ability to change its institutions and their nature by peaceful and deliberate methods? Any balanced society experiences a slow movement and a swinging back and forth between change and stability, between progress and retreat, between liberalism and conservatism. The limits of change are set by deeply rooted community judgment as to a political regime or social order that is unacceptable. At some point in discussion or action, a political or social system so strange as not to be thought worthy of toleration may be encountered. The advocacy of such a system of extreme liberalism is considered “radical” and unacceptable at the time. Limitations are placed on conservatism, as well as on liberalism, beyond which freedom of action, if not of discussion, does not extend. Extreme conservatism supports doctrines that are unacceptable at the time, and persons subscribing to such doctrines are called “reactionaries.”

These thoughts suggest that society allows a limit of tolerance at any given time. To have any chance of success, liberal or conservative programs must be kept within a general framework of the values held by the society. For example, in the United States the liberal program experienced an extensive development after 1932. The program of the New Deal, beginning in 1933, extended and expanded many of the measures of the Populist and Progressive Movements that were accepted at the close of the nineteenth and early part of the twentieth centuries. Beyond such programs, however, are found proposals believed to endanger the Republic. Communism is a good example of what is rejected from the area of liberal consideration—that is, it is considered to be both revolutionary and undemocratic. Likewise, extremes of nationalism, monarchism, and denial of individual equality and freedom are found in the area to the right of conventional conservatism. Perhaps one

of the distinguishing characteristics of those who hold such extreme beliefs is that they do not work to preserve the *status quo*, nor do they respect the total tradition of a group. Rather, they tend to create an ideology and work for its inposition upon the community by either violent or nonviolent methods. Extreme leftists and ex-

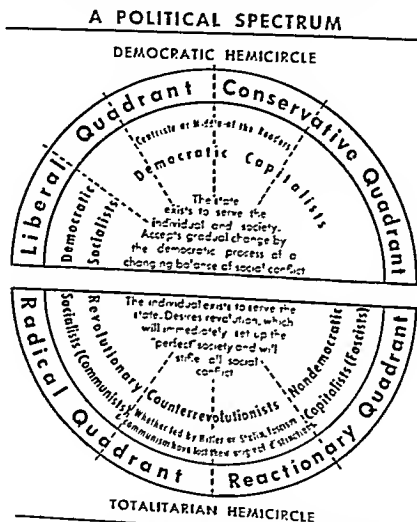


Figure 1. Although this diagram of a political spectrum is a simplified one, it shows the relationships of the extremes and the limits by which society tolerates ideas and actions at any given time. (Adapted from Baldwin, *The Stream of American History*, American Book Co., 1953)

extreme rightists have this trait in common. Their methods and aspirations, therefore, find a common ground, even though they are thought of as being at opposite ends of the political spectrum.

The terms "left" and "right" become useful in this description, connoting, respectively, liberal and conservative beliefs. The left is made up of people who wish to revise the existing conditions in an effort to improve the general welfare. The changes made in political organization and policy in the United States since 1932 have

been in the direction endorsed by the liberal, who approves of the rate and direction of change. The right, on the other hand, is made up of people who wish to maintain the *status quo* or restore former conditions. They would like to stop, or perhaps reverse, the current tendency, redirecting it toward reducing, as a rule, governmental intervention in social and economic affairs.

Time brings a constant shifting of the total area of social issues and controversies. The old saying that the liberals of one generation are the conservatives of the next has an element of truth. Each successive decade marks some change in the boundaries of the area of legitimate social and political controversy. Yet boundaries remain. Venturing beyond these boundaries, the radical and reactionary are rejected and in some cases are kept from enjoyment of the full civil rights enjoyed by those who keep within the area of toleration.

## LIBERALISM AND CONSERVATISM IN THE UNITED STATES

### *Individualism and Collectivism*

Liberalism in the twentieth-century United States came to adopt a "collectivist" rather than an "individualist" point of view. That is to say, it advocated action by society through governmental agencies to promote public welfare rather than unrestrained freedom of the individual to act in his own best interests as he sees them. The beliefs of those who favored increasing economic and social legislation were not formulated by a single leader or group into a theory of the state or the economy. Rather, the collectivist view developed from the effects of the social and economic developments within the nation.

Individualist philosophy was in vogue at the time the government of the United States was launched. Basic to the economic and political thinking of the citizens of the new Republic, it probably was strengthened rather than weakened by frontier conditions. After the Civil War, the tendency toward economic centralization in the form of large corporate units and trusts brought about a reappraisal of liberalism. At the same time, an important segment of thought rallied behind *laissez faire* and individualism. One writer calls members of this school of thought "*status quo* liberals."<sup>3</sup> This designation is a contradiction of the definition, made early in this chapter

<sup>3</sup> Alpheus T. Mason, *Free Government in the Making* (New York: Oxford Univ. Press, 1949), p. 601.

(page 4), of liberals as those who willingly endorse change.

In any event, this group was gradually repudiated and left behind by twentieth-century liberals in the United States. The "*status quo* liberals" failed to notice, or at least failed to attack, the new form of social integration that tended to threaten the individualism they defended. As a result of their effective pressure in the interest of *laissez faire*, the national government of the United States for a time did not develop political agencies and methods to protect the individual. No such efforts as those of the "*status quo* liberals" were made to restrain large business corporations from gaining control over industrial processes. Indirectly, therefore, the *laissez faire*-ists strengthened, rather than weakened, collective action, at the expense of the individualism that they espoused.

Although the proponents of collectivist liberalism did not develop a single definite theory of the state or of the economy, similarity of viewpoint among them is to be found on a number of points. Among these points are that (1) government should give protection to its people against widespread suffering, such as that which appears in depressions; (2) abuses by monopolies should be curbed and, wherever possible, eliminated; (3) production is so much a function of co-operative effort that the distribution of the accumulations of wealth resulting from it should be determined not on an individual basis entirely but also by the government; and (4) without governmental intervention, a capitalist economy is likely to tend toward excessive profit-making, under- or over-production, careless use of natural resources, and exploitation of human resources.

People who hold to this viewpoint are called liberals, and are willing to accept this designation. Those who oppose this point of view are termed conservatives, and generally approve of such designation.

Since in point of time there is no specific and complete transition from one of these liberal attitudes to another—that is, from individualistic to collectivistic—the liberal position today is not one of complete agreement and self-consistency. In some areas, such as that of small business units, the liberal frequently seeks to defend and perpetuate individualism. Hence, the liberal tries to operate on practical, rather than theoretical, grounds, and he does not have a "rule" by which his attitudes and objectives are determined, but rather tends to decide each case independently.

The individual also may be an advocate of change in some aspects of his society but of stability in others. Thus, although government

and the economy have become closely intermeshed, some persons press for change, improvement, and progress in purely governmental techniques, while retaining a conservative economic outlook. Similarly, contrasts may be found in views on religion and science, education and business, women's rights and racial tolerance, and other matters.

Later tendencies in liberalism admittedly have several collectivist, as distinct from individualist, characteristics. The collectivist point of view, however, does not involve a repudiation of the worth of the individual. Rather, it embraces the belief that social and economic forces can be so controlled and directed as to improve the position of the individual in all of his group relationships, as well as in his individual capacity.

The principal application of these later liberal tendencies has been the strengthening of the government in such a way that it may deal effectively with concentrations of business wealth. These tendencies, of course, have meant the repudiation of the philosophy of *laissez faire* of the earlier liberal group. Recognition also has been given to organized groups in the protection of their interests—for example, the strengthening of labor and farm organizations for collective action. An awareness of the need for, and the inevitability of, social organization has influenced the thinking of modern liberals, but has not been carried to the point of placing the group above the individual. The liberal, in general, has maintained that these co-operative groups, governmental and nongovernmental, act in the interests of the individual, of protecting the weak from the strong, and of redressing unfavorable advantages and vested powers that some organizations hold over others. In the interests of the individual, therefore, liberals in the United States have sponsored several kinds of collective action.

### *The Liberal Program*

The program advanced by twentieth-century liberals in the United States combines the elements discussed above. Within the broad framework of their program, liberals want to preserve a free-enterprise economy. At the same time, they believe that improvement of the operation of the economy to avoid periodic collapse or long-term deterioration is possible. Positive policies aiming at more complete use and improvement of human resources are advocated.

The liberal program sees the large business enterprises of the present, with their political and economic power, as affecting and

being affected by the public welfare. Thus, the best interests of a specific enterprise are determined by the best interests of society as a whole. The individual in society is not forgotten in this broad view, but all individuals in all groups are considered as having a claim to consideration in the formulation of public policies.

In the society of the United States, which is characterized by a relatively rapid rate of change, the liberal program can be identified with specific measures. First, the liberal supports the promotion of full employment. The conception of full employment is that government should do all it can to prevent involuntary unemployment. Governmental action toward this end may be along several lines—for example, stimulating private enterprise, providing vocational training, and increasing government employment through public works. Although in earlier times responsibility for employment was held to be a purely private matter, the social consequences of unemployment in a highly integrated society have brought liberals to adopt the view that the group must act collectively, through the government, to avoid calamity.

Second, the better utilization of natural resources, their conservation, and their replacement or restoration are considered of sufficient importance to warrant a positive governmental program. Unrestrained private ownership or a governmental policy of *laissez faire* is not thought to be a good basis for meeting the conservation problem. Hence, regulation and ownership by government are conceived by the liberals to be the natural alternatives. In this connection, the liberals advocate new forms of governmental organization, such as regional agencies, interdepartmental committees, and State-national co-operative administrative arrangements.

Third, the contemporary liberal readily accepts public control, with a growing concentration of economic and political power. Where monopoly is virtually complete and public well-being at stake, the liberal does not hesitate to advocate public ownership. Short of public control, he also believes that the large superorganizations of businesses or industries must respond to the pressures of the many groups who have interests in the policies of these organizations, including laborers and consumers.

Fourth, the liberal attitude toward the low-income problem and its consequences is influenced by the far-reaching effects of low purchasing power on productive elements of the community. Costs in social delinquency and widespread individual suffering are also important. The people who live below minimum or decent stand-

ards are looked upon as a potential source of manpower capable of making important contributions to the culture and of providing a new and expanding market for a mass-production economy. Poverty is not considered inevitable, nor is it regarded as deserved punishment. The liberal believes that a positive program of improvement of economic opportunity and social security can do much to remedy tragic individual situations and at the same time improve the general condition of society and the economy. If this involves a change from some habits of thought about limited government or rugged individualism, the liberal is ready to make such a change.

Finally, as strains appear within and without the national-state system in the preservation of world order, alternatives by way of regional and world organization are given consideration. The liberal advocates changes and supports programs to further international co-operation and reduce the imminence of total war.

These five groups of views are illustrative of important areas in which opinions of people tend to divide between those who advocate change and those who resist it. Some people may tend to be "conservative" on some issues and "liberal" on others. To be generally receptive to suggestions for change in all areas of policy, however, is another matter, and the youth-age tendency or some other more general rule may apply. But no ironclad basis for classification can be applied, and inconsistencies are common.

### *The Conservative Program*

The beliefs or doctrines of conservatism were developed in Europe and influenced the United States, but conservatism in this country evidences several variations from that in Europe. In the United States, no genuine conservative movement has developed. The nearest approach to true conservatism was found among the planters of the Old South, a small number of whom lived in a style and developed a social philosophy that might be called aristocratic. Most of the planters, however, were simply large-scale farmers who were striving to make money. The development of a broader class of aristocrats was stopped by the Civil War and Reconstruction. Today, only a remnant of the old Southern gentry is left. Gone with it is much of the conservative outlook on society.

Outside of the South, society in the United States from its beginning has been predominantly a middle-class society. Unlike the European farmers, the farm groups were not opposed to the new

capitalistic society. On the contrary, they were its backbone. In the early days of the Republic, the political contest between the commercial group, led by Alexander Hamilton, and the agrarian group, led by Thomas Jefferson, arose over measures affecting the distribution of the national income. The contest was not over fundamental questions of the economic order, for both groups supported the free-enterprise socioeconomic system. At the same time, the ruling agrarian and commercial classes feared that the masses of poorer farmers and laborers might rise to power. They were particularly afraid of movements among the poor farmers and poor people of the cities that might result in repudiation of public and private debts and in legislation damaging the interests of the property-holding classes. In order to gain political control, the Jeffersonian agrarians eventually submerged their fear of the poorer classes and won the support of these classes in opposing Hamiltonian commercial policies.

The dispute was one within the ranks of the middle classes, for in the United States even the farmers were, with few exceptions, supporters of the economic process of capitalism. Thus, no need existed for a conservative ideology, and the absence of social strata, which could have developed it, made a conservative movement impossible.

Conservative attitudes, of course, have been present among all those social groups that at one time or other were content with the existing conditions and desirous of preserving them. In the last four decades, conservative political attitudes have become increasingly frequent among big businessmen and large farmers. The arguments of these groups, however, are taken largely from the principles of *laissez faire* and from the political doctrines of nineteenth-century liberalism.

In the United States, the result has been that liberalism advocates regulative interference by the state in private enterprise in order to protect the economically weaker elements in society. At the same time, conservatism holds to the position occupied by early liberalism—that is, of *laissez faire*. Consequently, the basic ideology or philosophy of liberals and of conservatives in the United States is approximately the same—they both believe in the worth and dignity of the individual and in the need to provide him with opportunities for betterment of his life. The chief differences between the two lie in the means of reaching their goals.



## SUMMARY

Liberalism and conservatism are two countervailing and competing theories or doctrines that are found in almost all societies. The two theories are characterized by the concept of social change, on the one hand, and by resistance to change, on the other. In spite of the common saying that "the only certainty in modern times is change," social forces operate to resist change. These forces are found in the institutions, mores, and habits of the group. They are expressed through the efforts of those members in society who, because of privileges, age, or other reasons, have attached a high value to the *status quo*. The conservative element in society is made up of such persons. A society dominated by conservatism values tradition highly, and goes through a slow process of change. The liberal element in society, on the other hand, is made up of those members who, because of age, discontent with existing conditions, or other reasons, desire changes and do not place so much stress on tradition as do the conservatives.

The liberal doctrine is based on the freeing of individual capabilities and equalizing of opportunities. Accordingly, the position of the liberal has shifted with changing economic and social conditions. Economic and political liberalism of the nineteenth century stressed *laissez faire* in the relation of government to individual enterprise. The twentieth-century liberal, however, has advocated and supported collective action through governmental processes to protect and promote the welfare of the individual in a highly industrialized society.

The conservative doctrine also stresses the worth of the individual but holds that governmental intervention in economic and social affairs is contrary to the best interests of the individual. Essentially, then, the theoretical differences between liberalism and conservatism in the United States are not marked; the differences lie mostly in means to attain ends. Accordingly, the conservative-liberal classification does not always follow advantage-disadvantage lines—a person may be a liberal on political issues and a conservative on economic issues, or vice versa.

In both liberal and conservative doctrines, a point is reached beyond which society does not tolerate action and sometimes even expression of ideas. For example, the liberal does not believe that in

the free quest for new ideas and methods the foundations of society should be violently overturned. His area of freedom is bounded by the traditions of the group. Likewise, the conservative is limited by the values of society. Conservatives and liberals, therefore, are not hopelessly at odds. They have much in common. At the extreme left (radicalism) and at the extreme right (reactionism) are doctrines of thought and action that are repudiated by both the conventional liberal and conservative.

## QUESTIONS

1. Distinguish between liberalism and conservatism.
2. What conditions may contribute to produce a liberal or conservative attitude of a person or a group?
3. Why is simple advocacy of change alone not enough to describe the attitude of the liberal?
4. Give examples in which the advantage-disadvantage classification of liberal and conservative does not apply.
5. Explain the change that occurred in economic liberalism from the nineteenth century to the twentieth century.
6. Compare twentieth-century political liberalism and conservatism.
7. What is meant by radicalism and reactionism? How are radicalism and reactionism related to liberalism and conservatism?
8. Contrast the social attitude of the individualist with that of the collectivist.
9. Compare the liberal program with the conservative program in twentieth-century United States. Be sure to give examples of specific measures of each program.

## DISCUSSION

1. What relation do you see between democracy and liberalism? Between democracy and conservatism?
2. It is sometimes said that "a liberal is anyone who agrees with me." Discuss.
3. What would you consider to be the standards of a "liberal" government?
4. According to your standards in question 3, would the Soviet Union qualify? The United States? Explain your answers.
5. It is sometimes argued that Franklin D. Roosevelt was a decided conservative. On what grounds could this be argued? Do you agree?
6. What sociological argument can you make that tends to show that the position of the conservative is stronger than that of the liberal?

## TERMS

**Ideology:** A systematic scheme or body of doctrine embracing the beliefs of an individual or a group.

**Left:** A term applied to political groups having liberal or radical tendencies.

**Normalcy:** State or condition of being normal.

**Oligarchic:** Pertaining to rule or control by a few persons.

**Progressive Movement:** The political, social, and economic reform movement that occurred in the United States from 1890 to 1917. It was characterized particularly by the intervention of the national government in economic and social affairs.

**Right:** A term applied to political groups having conservative or reactionary tendencies.

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## 2 DEMOCRACY AND AUTHORITARIANISM

From time to time throughout this book, reference has been made to democratic forms of social organization. In this chapter, both the principles and theories underlying democratic social organization and those of authoritarianism are considered. These two theories of group control are frequently at odds with each other. In varying forms, one or the other provides the basis for every social organization.

Political organization in the United States has maintained the ideal of democracy, even though in economic organization the democratic ideal has not been so apparent or held to be so important. In actual experience, of course, exceptions have appeared in political organization. In boss-ruled cities, for example, although the forms of democracy exist, in actual practice, they do not operate. In scattered instances, too, democratic forms have been subjected to authoritarian rule on a State-wide scale. In general, however, the democratic ideal has prevailed in governmental affairs, and safeguarding democracy is one of the most powerful appeals to patriotism.

### DEMOCRACY

#### *Nature of Democracy*

Democracy is difficult to define because it means different things to different persons, and because it varies from time to time and from country to country. Concepts of democracy differ largely because, as an institution belonging to the people, it must in some way fit in with the native culture or have no meaning.

Some general features have come, however, to characterize democracy as a form of group control. Although these features do not amount to an inclusive definition of democracy for all people, as a

rule they are accepted as being essential in a democratic way of life. One of the general features is the stress placed upon the worth and importance of the individual. The expression "equality of man" often is used in designating this feature of democracy. Misunderstandings have arisen in regard to the meaning of this phrase. Proponents of democracy do not contend that complete equality always is attained or even that it always can be attained. They do contend, however, that there is a continuous effort to achieve the greatest possible degree of equality. In the United States, "equality of man" has come to be interpreted as meaning equal rights to an education and to earn a living according to personal ability, and equality before the law and in voting to determine the policies and leadership of society. Furthermore, the belief is generally held that the state exists for the individual rather than the individual for the state.

A second feature of democracy is that, since it derives from the people, the people have a right to voice their opinions and to participate in the selection of public officials and in the formulation of public policy. In a democracy the people have a right to express their opinions within the accepted limits of toleration even if their views are in opposition to those who are in control. Closely associated with this feature is a third characteristic of democratic society. Because democracy derives from the people, it is always in the making—that is, it is always changing to meet the conditions of the time. People and the environment in which they live undergo change from generation to generation and even in one generation. Thus, democratic principles are adjusted by each generation to fit the culture of the time.

A fourth general feature of democracy applies mainly to the political aspect of a society. In a democratic society, more than one political party exists to guide the people in making decisions regarding governmental policy and policy-makers. Whether there is a two-party system or a multiparty system, each party formulates its own program. The followers of each party voice their opinions openly and freely, and the political party that is defeated in any election usually continues to function, constantly watching the policies of the party which is "in."

### *Democratic Values*

The proponents of democracy support their contention that democratic practices are best for group control by pointing out the results of democracy. First, they say, participation in government, even

minimum participation, is a satisfying experience, one which adds to the dignity and self-respect of the person. Conversely, denial of this participation results in loss of personal dignity and self-respect. Many citizens pass by opportunities for participation or come to feel that the processes in which they are able to participate are not meaningful in the actual issues of government. These cases, however, do not constitute valid arguments against this value of democracy. After all factors and variances are allowed for, social and political responsibility does have a stimulating effect upon people. Second, only when it rests on a reasonably broad base can policy be made to harmonize with the trends of thought of the group. A dictator has the disadvantage of having to read the minds of the people he is governing, or to depend upon spies and informers. Although he may think he knows what is good for the people, there exists always the possibility that he is confusing his own ideas and ambitions with the general interest. That the will of the people is not the "right" will is difficult to prove. Third, proponents of democracy argue that decisions of the people respecting matters of public policy and leadership are as good as those made by the elite. An understanding of the nature and values of democracy has been of concern to its advocates from its beginning. In 1834, Alexis de Tocqueville, a French visitor to the United States, wrote:

The first of the duties that are at this time imposed upon those who direct our affairs is to educate democracy, to awaken, if possible, its religious beliefs; to purify its morals; to mold its actions; to substitute a knowledge of statecraft for its inexperience, and an awareness of its true interest for its blind instincts; *to adapt its government to time and place* [italics by the authors], and to modify it according to men and to conditions. A new science of politics is needed for a new world.<sup>1</sup>

The need de Tocqueville recognized in developing an understanding of the underlying nature of democracy in an expanding, changing nation is even more obvious at the present time.

Whether democracy is maintained or rediscovered depends first on some general comprehension among active citizens as to what democracy is and then a willingness to accept its rules as rules of practical action. Certain values are associated with a democratic way of life, to promote which to the fullest extent may result in giving up other values. Intelligence and discernment are required to

<sup>1</sup> Alexis de Tocqueville, *Democracy in America* (the Henry Reeve Text as revised by Francis Bowen and further corrected and edited by Phillips Bradley; New York: Alfred A. Knopf, Inc., 1945), Vol. I, p. 7.

make judgments about the values of democracy. In the United States, the excuse of ignorance is unacceptable because of a long tradition of and familiarity with democratic social organization.

American democracy, though one phase of the general development of democracy from ancient times to the present, can be isolated from the general current, and four major steps can be discerned in its evolution. First, during the colonial period the settlers obtained the right to participate in their own government. They brought with them from England the basic concepts of popular control of government—(1) the doctrine of government by law rather than by personal rule; (2) ideas of jury trial and of the right of habeas corpus; (3) the basic concepts of representative government; (4) the theory of a compact or contract between the people and their sovereign; and (5) the doctrine of a constitution within which governmental forms should operate and receive their authority. Upon these concepts, a democratic structure was built in America. Although in the colonies only a few of the adult males had the right to vote and hold office, the representative assemblies carried out the will of the voters and fought for and obtained control over financial matters in each colony. By the middle of the eighteenth century, the assembly of the people had attained supremacy and had become the important branch of colonial government.

The second major step in the history of American democracy was the development of institutions of sovereignty. This achievement was the climax of the revolutionary and constitution-making periods. The independent States formulated constitutions and established governments based on the colonial experience, and a constitution was framed for the national government. The first national constitution—the Articles of Confederation—lasted only a few years because it was not based on political traditions and experiences. In 1787, however, a constitutional convention incorporated time-honored governmental processes into a new instrument of government and by compromises on several points framed the present national Constitution.

A third major step was the extension of political rights and privileges to the many who previously had been excluded. In this extension, Jefferson's ideas of individual freedom and Jackson's egalitarianism were major contributions. By the 1830's, manhood suffrage and the right to hold public office regardless of station in life had been achieved. Later, the suffrage was extended to the emancipated Negroes (1870) and to women (1920).

After the franchise was extended, the fourth major step was to

institute governmental techniques by which democracy was further extended and refined. Included in this step have been such developments as initiative, referendum, and recall; popular election of Senators; direct primary elections; the secret ballot; and regulation of campaign expenditures.

### *Democracy and Social Change*

In the United States, changes in political and social life in the twentieth century have affected democratic forms and ideas. In the field of government, three social changes especially have complicated democratic processes. First, the procedures of legislative government have undergone extensive revision as a result of the complexities within the modern state. "Government by laws, and not by men," the ideal of representative democracy, sometimes has been difficult to attain because of complex social and technological problems demanding immediate and specialized treatment. The result has been that the administrator has become more active in the legislative processes, first, by drawing up desirable legislative proposals and urging their enactment and, second, by making administrative rulings that provide the details of general law.

A second trend that has affected democratic processes is the loss of functions by local governmental units, small in area, and the acquisition of these functions by larger units. As this trend proceeds, direct democracy becomes proportionately less applicable. Yet the forces of technology require larger units. For example, in some areas the local one-room school, accommodating with limited facilities all the pupils within a radius of two or three miles, no longer serves the educational objectives. For some of the functions they are supposed to perform, the township and county are now considered too small, too poor, or insufficiently populated. Therefore, many of their functions have been transferred to the State level. As a result, the individual's direct participation in the processes of government seems to be less effective.

The increasing range of governmental activities and the accompanying augmentation of costs and personnel is a third trend that complicates democratic processes. The institutions of government have become more and more complex and have made the citizen's role difficult to fulfill. As the problems and processes of government become intricate and strange to him, the citizen is tempted to refrain from accepting and carrying out the responsibilities of his citizenship.

In a sense, these institutional changes constitute a crisis in popu-



lar government. Whether this crisis will result in disaster depends upon the political education of the citizens of democracies and upon their willingness to examine the fundamental meanings of democracy and its alternatives. Those who believe that democracy is facing a crisis disagree as to the nature of this crisis. Some regard it as a relatively simple problem of institutional adaptation. These people are inclined to emphasize the need for revising existing constitutions and for new governmental agencies—a need arising from changed social conditions. Others believe the crisis is somewhat deeper and is feeding upon the spiritual shortcomings of the people in democracies—that is, that the people do not “have what it takes” to maintain a democratic order, that they are not sufficiently committed to the obligations and principles of democracy. A third group associates democracy with a large amount of individual liberty and finds it impossible to reconcile this view of democracy with the present group controls in society. According to the standards set by this group, each passing year now places democracy further out of reach. They argue that the structure of society, in and out of government, is changing in the direction of consolidation, integration, and administrative domination and that this change is accompanied by loss of local independence and of legislative leadership. This change, say the individualist alarmists, may mean the death of democracy.

### *Political Democracy*

A democratic political society may be defined as one in which there is continuing equality of opportunity for the selection of policy-makers. The definition does not require complete equality of all people regarding the opportunity or right to select policy-makers. While states, communities, and institutions sometimes are completely democratic or authoritarian, more often they are only more or less democratic or authoritarian. The extent of equality depends upon a number of practical factors, such as age, literacy, education, and experience in political activity. The believers in the democratic state favor a continuing elimination of inequality rather than the narrowing of power of selection to an elite group. The proponents of democratic theory do not say when “complete” equality of selecting policy-makers will be reached, nor do they say how far this equality will go in bringing about other kinds of equality. Furthermore, they usually defend some limitations to the policy-making of elected representatives.

A part of democratic theory in the United States is the belief that

the policy-makers selected by the people should be checked at some points. For example, the Constitution limits congressional activities; and the Senate has equal voice in legislation with the more frequently elected House of Representatives. The States, irrespective of population, have equal weight in policy-making in the Senate. In addition, the executive head of the government has considerable independence from congressional control, and judicial nullification of legislation by the finding of unconstitutionality also has been accepted as a part of a democratic system. Thus, in a democracy, society may approve checks on the representatives of the people. But the broad trend is in the other direction, and over a period of time, there is a tendency to increase equality of opportunity for the selection of policy-makers.

In the United States, much public policy-making is the work of agencies other than the government—for example, labor unions, corporations, and private educational institutions. Many democratic theorists have not been so much concerned about whether democratic principles prevail in these areas as they have about the governmental area, yet they are also organizations of control. Accordingly, certain forms of social organization may be permitted to be less democratic than the political organization. In the past, such institutions as the family and school, in which the young are members, have been, on the whole, authoritarian, with self-government usually kept within close limits. Employer-employee relations also have been characterized by a degree of authoritarianism. The belief has been that the worker could escape from the situation, if he disliked it, by quitting. Organized workers now are seeking a voice in the policy-making of the organization in which they are employed. Because employer-employee relations have become closely connected with the public interest, the decision-making process may become democratized. A democratic government probably will facilitate the democratization of any policy-making process within society when that process becomes recognized as one that is affected with a public interest. Thus, a society containing many groups may be expected to evolve toward a general harmony of those that are related to the general interest.

Only one rule and general standard of measurement has been discussed—equality of opportunity for the selection of those who make policy for the group. This rule, generally accepted as a determinant of political democracy, can be applied in all aspects of society. In governmental processes, it means an inclusive electorate,

with opportunity to make significant choices. The same meaning in general would apply to a labor union, a church congregation, a school faculty, a farmers' organization, or a trade association. Undemocratic theory may be accepted in some groups or in some respects, but it is at least well for one to know whether he is looking toward or away from democracy, and whether the problems of the group are suitable to attack by a large or small body.

### *Economic Democracy*

In the twentieth century, some people contend that human well-being also needs to be considered from an economic point of view and that economic democracy—a doctrine of rights in the economic sphere—must be given some consideration. The claim has been made that, in addition to political rights and freedoms, economic rights and freedoms are essential to human dignity and are an equally significant basis for real equalitarianism. The present standard of economic democracy includes the right to employment—that is, the right to do the kind of work for which one has the capabilities and not be discriminated against because of race, creed, or national origin—the right to a minimum standard of living, the right to support in case of accident and in old age, and the right to leisure time. The supporters of economic democracy contend that these are rights society should provide for the well-being of its members.

Economic rights appear to be an extension of civil rights traditionally held to be an important part of democratic ideology. In order to guarantee an economic bill of rights, however, society places limitations on the rights of an individual to own, acquire, use, and bequeath property. These limitations appear to involve the supporters of economic rights and the traditional democrats in a controversy. A middle ground, however, may be available—for example, graduated inheritance taxes are not considered by society to be confiscation of inherited wealth. The extent to which the social aspects of property shall be made an important consideration of policy depends in the United States upon the voluntary action of a free people in a political democracy, although progress toward guaranteeing economic rights may be made by either democratic or authoritarian methods.

### *Social Democracy*

Beyond both political and economic democracy is a broader view of democracy as a way of life by which the talents and abilities of

the people may be developed. The state is regarded as an institution that will assist positively in this development. If the accomplishment of social democracy is regarded as a responsibility of the state, public policy must be such as will achieve the desired goals. These goals may be economic in nature—for example, full employment, stabilized agriculture, and reciprocal trade agreements. They may be the attainment of intellectual and aesthetic objectives, such as improved educational facilities, exchange of students with foreign nations, and sponsorship of the arts. The policy may also be directed toward improving the position of individual members of the society in practical and personal ways, such as improving the general level of health, providing for old-age welfare, and giving specialized attention to persons whose misfortunes are the result of the operation of social forces.

Of course, these objectives likewise may be given attention by an undemocratic state. The difference is that in the democratic state the objectives are selected consciously by the citizens as those necessary to the general welfare. The democrat insists that his freedom of thought, expression, criticism, and action should not be restricted. The only exception to this rule is that expression and action aimed at destroying democracy may be opposed by the action of the state itself.

The problems of maintaining a democratic society are complex. No one can be complacent about the future of the democratic way of life; citizens in a democracy must accept responsibilities if democracy is to be maintained. First, the citizen needs to discover how he may implement the idea of political democracy. Only in rather simple societies is this achieved in any full sense merely by casting one's vote on election day. Certainly at present the idea that a vote cast in a presidential election is participating effectively in selection of the President may be questioned. In this case, much of the procedure of selection has been completed prior to the time of the election. In the election of a President, the citizen exercises his equality of opportunity by exerting his influence on the party channels through which the delegates to the national convention are chosen and pledged. If the system of selection conducted by the political parties is working efficiently, the voter's choice in the general election will be something like the consumer's choice in deciding which of two leading manufacturers of automobiles he would prefer to patronize. If one or more of the candidates is mediocre or worse, there is reason to believe that something has not operated

as it should in the process of selection. In other cases of selection of policy-makers, the function of the active citizen varies. He must learn the way in which he can be effective not only in the units of government for which policy-makers are chosen but also in other groups in whose policy he has an interest.

Second, the citizen needs to inform himself about the problems and issues which arise in a democratic society. For example, he is faced with such problems as the extent of economic rights, measures to protect health, and decisions about foreign policy. New lines are being drawn day by day for bounds of governmental protection and promotion of the general welfare. Where they are to be drawn may be determined by democratic processes. These issues the citizen must not avoid unless he prefers an answer made by a self-designated elite.

Finally, the citizen in a democracy must carry on democratic practices in his day-to-day living. Respect for other persons, for example, is as much a part of the democratic ideal as is the right to participate in governmental processes. The citizen in a democracy cannot expect to have the respect of his fellow citizens unless he respects them.

Actually, democracy has both means and ends, responsibilities and rewards. Democracy does nothing to make life easy and soft, although it seeks to equalize and eliminate some hardships.

## AUTHORITARIANISM

### *Nature of Authoritarianism*

The alternative to the democratic way of organizing society is called authoritarian, dictatorial, or totalitarian. Authoritarianism, of course, takes different forms, just as democracy does. Certain general features, however, have come to be associated with authoritarian society. One of these is the leadership principle—that is, authority from the top down and obedience from the bottom up. The will of the leader prevails, rather than the will of the people. A second feature is that little importance is placed upon the worth of the individual; his place in society is to glorify and serve the leader or the state. Thus, the individual exists for the state and has no rights in opposition to it. The state must strive for greatness, and the duty of the people is to contribute to that greatness.

Rule by an elite group is a third feature of authoritarianism. The people of an authoritarian society are divided into the "masses"

who are to be ruled and the "elite," a privileged few—for example, an aristocracy, the Russian Communist Party, and the Spanish Falangist Party—who are to rule and make decisions for the entire society. The prevalent belief is that the masses are not capable of ruling and that the "best" decisions can be made by the few who are capable. A fourth general feature is that opposition to those in control is not permitted. No questioning or criticism of decisions of the elite is tolerated. In the political phase of authoritarian society, a single political party dominates the policy of the government, and those in power control the party. The proponents of authoritarianism defend this position on the ground that national efficiency requires political unity. As the third and fourth features show, equality of opportunity in the selection of policies and policy-makers is not a part of the authoritarian method.

Citizens of the United States are inclined to oppose authoritarianism, particularly in the political area. In some social institutions, such as the school, however, features of the authoritarian principle have been accepted. The business organization is one in which executive command is approved, and in some church organizations a degree of authoritarianism generally is accepted, with a hierarchy extending upward to the supreme authority. The respect for authority in the family was mentioned in a preceding part of this chapter. Acceptance of these aspects of authoritarianism is not necessarily inconsistent with rejection of the application of similar beliefs to political organization.

### *Basis of Authoritarianism*

Justification of authoritarian society involves a denial of the basic democratic condition that governmental decisions should be controlled broadly by popular political action. This denial is supported by evidence of differences among men of such a nature that a distinction can be made between ruler and ruled. The political theorists who present this evidence may be divided into two main groups—those who believe that political power inevitably resides in the hands of a few, and those who believe that the few need not be responsible (answerable) to the many.

**INEVITABLE RULE BY THE FEW** One school of thought advocating the idea that political power inevitably resides in the hands of the few believes in the necessity of such a type of rule because of inherent organizational features of society. According to this idea, the

organization of every society develops in such a way that a central factor becomes dominant. For example, the economic factor may become the most important, so that those who control it, control society. The class that comes into authority may not be the "best," but it controls the power, because the seat of power is determined by the nature of the social structure.

Another school of thought advances the idea that it is not the nature of social organization but the obtaining of power that is the main factor. These theorists maintain that within the elite the struggle for power takes place and the dominant or winning clique uses force, deceit, or any other means to gain and maintain power. The clique out of power will resort to the same means in attempting to gain power. Therefore, according to this school of thought, power is the key to getting control of the state in order to enjoy the benefits of that control. The clique in control is not a class but a power-seeking and power-holding group. Such a clique may or may not be interested in the welfare of the masses of people, who are always excluded from power.

The above two schools of thought are not incompatible. It is possible for those who control the key factor in society to be those who strive for power, or those who strive for political power may seek control of the key factor.

**NONRESPONSIBLE RULE BY THE FEW** Those who support authoritarian rule as preferably not responsible to the people as a whole argue that a superior minority is more competent to rule than the inferior majority. They believe that public opinion should not exert a decisive influence on the structure and policy of government, because the average person does not know what is best for him or for society—that is, he is unable to make wise and competent decisions. Therefore, only the wise and competent few can obtain for the state and society greatness and well-being.

Several schools of thought endorse this idea of rule by the wise and competent without responsibility to the many. Three of these groups have received considerable attention. The proponents of one group base their contention on racial superiority. They hold that inequalities are inherent in racial differences. This, they point out, is true not only as regards physical characteristics but also as regards mental capacity and soundness of judgment in social matters. These theorists further claim that the colored races are inferior to the white race and that within the white race several levels of

superiority are to be found. According to them, the highest of these levels is the "Nordic race"; hence, the Nordics are the most wise and competent rulers.

Another group of theorists in this category base their views on the differences within rather than between races, on the fact that through biological inheritance inequalities of intellect and ability exist among men. These characteristics, being inherited, cannot be acquired, and by transmission from one generation to another there is preserved continuity of superiority and inferiority. In the competition for social status and power, these theorists argue, the "superior" win, and since they are few and since, it is presumed, the "superior" mate with the "superior" to beget the "superior," they transmit leadership to their descendants and hold hereditary power over the many. In this way, the goals of the state and society will be best achieved by eliminating responsibility to the masses for methods used to achieve the goals.

A third school of thought that advocates nonresponsible rule by the few is made up of those who believe that the inequalities existing among men are due primarily not to racial or biological traits but to natural differences. According to these advocates, natural differences exist just because they exist. They exist in nature, in the universe, in the very make-up of things. The proponents of this theory argue that since there is an order and gradation in nature that results in inequalities, gradations and inequalities exist among men. That is, the natural hierarchy existing in society makes for order and inequality, which these theorists claim are the first principles of nature. Consequently, those people in the highest order in the hierarchy are there because of superior qualities and those in each of the lower orders have their respective positions in the hierarchy because of the degree of natural differences existing among men. Naturally, those in the highest grade or order have the ability to rule and govern the whole hierarchy.

The two main groups described above—those who believe in the inevitable rule by the few and those who believe in the nonresponsible rule by the few—reject the exercise of power by democratic processes. Although the beliefs of these two groups overlap somewhat, a distinction is found in that the first group is convinced that democracy is impossible, whereas the second believes that democracy is undesirable.



### *The Authoritarian Principle*

The authoritarian principle is based upon the claim that it can maintain order and authority necessary for the survival and operation of the state. Various doctrines have been advanced to substantiate the principle. These doctrines differ, but they have the common idea that someone or something expresses the "right" will of the state, and that this will should be accepted as the universal standard by members of society. The chief variation in these doctrines is found in the matter of where this "right" will resides.

One doctrine places emphasis upon the will and leadership of a single person—the "right" man, the leader, who should be entrusted with all authority and power. This idea, which is, of course, that of dictatorship, is based upon the premise of singleness of purpose and authority as the best means of securing the welfare of the state. No relation to ideology, except the leadership ideology of these theorists, is found in this doctrine, since the need for dictatorship is founded only on necessity—that is, a strong hand is required to give to the state order and authority. Accordingly, the dictator rules not because he holds any particular belief or because he has a special mission to carry out, but because he has the authority—the personal authority. The dictatorships in some of the Latin American countries have exemplified this type of authoritarianism—for example, the rule of Díaz in Mexico and of Perón in Argentina.

Another doctrine placing emphasis upon the rule of a single person attempts to justify dictatorial rule by claiming that the dictator rules as the chief representative of an ideology. He is the chosen "one" to lead his people in fulfilling a divinely ordained mission. *He is the leader, who knows what the people want and therefore is the essential factor making for unity of the state and the people.* According to this doctrine the leader is infallible, and hence his judgment and decisions are not to be questioned by the people. During the 1930's, the Nazis in Germany and the Fascists in Italy used these ideas to justify the dictatorial rule of Adolf Hitler and of Benito Mussolini.

A third doctrine that has been put forth to substantiate the authoritarian principle is that of the need for concentration of authority in a class rather than in one person. Here the attempt is made to stratify society into definite and mutually exclusive social classes. The state, then, should be organized in accordance with class subordination. The "best" or elite class is in authority, since

it alone expresses the will of the state and knows the "right" way of life. No opposition is tolerated, and society is integrated by might, even by violence if necessary, so that all will follow the "right" way. The application of a class theory of the state is illustrated by the class rule in Franco's Spain.

### *Contrast of Democratic and Authoritarian Characteristics of Authority*

The advocates of authoritarianism universally assert that the chief weakness of democracy is its inability to maintain order. This assertion, however, is difficult to substantiate by reliable evidence. Authority is not confined to an authoritarian state but is a characteristic of all forms of social organizations that have power, from the family or the fraternity to the political party. Thus, wherever there is social organization, there is authority, and authority results in some kind of social order. Consequently, democracy and authoritarianism are similar in that both are established on the idea of order and on authority as the basis of that order. The basic differences are found in the kind of order that is maintained and the nature of the authority that supports it. These differences are as follows:

- (1) In democracy, authority is based upon the freely given consent of the people to maintain a particular order; in authoritarianism, authority is based upon command and obedience and is maintained by rigid discipline and force.
- (2) In democracy, authority rests upon the intelligence and interest of the people; in authoritarianism, intelligence and interest of the people are generally discouraged and disapproved of.
- (3) In democracy, authority is derived from the people and is responsible to them; in authoritarianism, authority exists in its own nonresponsible right.
- (4) In democracy, the government's function is not only to maintain laws but also to change them; in authoritarianism, laws are decreed, and once the desired order has been established, laws are maintained and enforced rigidly.
- (5) In democracy, order is reconciled with rights of personal freedom; in authoritarianism, personal rights are not recognized except by the will of those in authority.

### *Recent Applications of Authoritarianism*

The authoritarian states of Italy and Germany during the 1930's exemplified many of the theories that we have discussed. This ex-

emplification was expressed in a government document in 1947 as follows,

The subordination of the individual in fascist theory is rounded out by the doctrine of leadership. Both Italian Fascism and German National Socialism make the will of the state synonymous with the will of the ruler, and vice versa. The individual is supposed to give unquestioning obedience to his rulers. Particularly in the National Socialist theory the idea is expressed that the citizen should not merely obey his rulers; he should have it as his mission to make himself in the image of his rulers, so that he will have no will to do other than their bidding.<sup>2</sup>

Neither Fascists nor Nazis respected personal rights. They contended that rights were useless and should be surrendered in exchange for the many benefits the people would receive. The Italian and German states which waged World War II represented the highest development and application of the authoritarian principles of statecraft. Nor did their defeat bring to an end this kind of belief or its practice. The governments of Portugal, Spain, and Argentina at present are carrying into practice much of the same body of theory.

Proponents in both England and the United States of some kind of undemocratic doctrine have advocated authoritarian beliefs in the past. For example, Thomas Carlyle's essays contain bitter attacks on democracy and enunciate principles startlingly like fascism. In the United States, Henry Adams' *The Degradation of Democratic Dogma*<sup>3</sup> is an example of antidemocratic writing. *The Coming American Fascism*,<sup>4</sup> by Lawrence Dennis, is a contemporary book arguing that the future of the government of the United States must be a choice between democracy and fascism and that the latter is the choice which, on rational grounds, should be made. Where authoritarianism has flourished, however, the philosophical justification for such states has been either irrational or too idealistic.

Today's Russian authoritarianism has developed from a theoretical basis different from that of the other dictatorships of Europe. The basic principles of the communistic idea out of which the Russian form grew were presumed to be a scientific formulation; they became a part of the series of ideas generally known as "scien-

<sup>2</sup> *Fascism in Action*, House Document No. 401, Eightieth Congress, First Session (1947), p. 197.

<sup>3</sup> The Macmillan Co., New York, 1919.

<sup>4</sup> Harper & Bros., New York, 1936 (written in 1935).

tific socialism."<sup>5</sup> It is difficult to determine wherein communist authoritarianism differs from nazism and fascism. Practical distinctions based on degree of dictatorship or on humaneness of methods cannot be found.

The basic assumption of Karl Marx, who was the chief exponent of scientific socialism, was that human life and history were lived in an economic struggle which divided men into exploiters and exploited. Marx contended that all social organizations existing in his time were designed to aid the exploiting class in appropriating to itself the value added to goods by the labor of the masses. According to Marx, this system was not a final form of social organization. As the rich became fewer and richer and the poor became poorer and more numerous, this process inevitably would bring the communist revolution. This revolution would establish in power the proletariat, or working class, and would result finally in a classless society. Since government existed only to protect the privileged class, in the new order, government would eventually "wither away" and be replaced by collective management by the workers.

The repressive policies of the tsars and the effects of tardy industrialization in Russia made that nation a fertile field for propagation of Marxist ideas. The theory of the class struggle was accepted after 1880 by revolutionary groups. Underground movements were organized, and a number of the intelligentsia, becoming interested in the theory, assumed leadership of a movement to promote it. After years of limited activity, and one unsuccessful rebellion in 1905, the revolutionary leaders seized the opportunity to establish their beliefs when the tsarist government disintegrated in 1917. A short struggle between moderate revolutionaries, made up of the social revolutionary and Menshevik (right-wing socialist) forces, and the extreme socialists (Communists), called Bolsheviks, resulted in a victory for the Bolsheviks. This group at last was, in the words of Lenin (the leader of the Revolution), in a position to "proceed to construct the socialist order."

Historic circumstances, strategy, expediency, and the personal ambitions of leaders have pushed contemporary Russia a long way from the original Marxism. The strange combination of Oriental despotism, militarism, imperialism, and communism existing in Russia today does not fit any theoretical pattern. Probably a correct

<sup>5</sup> The term *scientific socialism* came into use because of Karl Marx's analysis of capitalistic society and the implication that his analysis was a scientific study. Some of his followers have used the term, and writers on political and economic theory also have used the phrase to distinguish Marxian socialism from other socialistic theories, such as utopian socialism and Christian socialism. (See Chapter 14, Volume I.)

view is to consider Russian communism as a species in itself, as far as modern nations and national ideas are concerned. It is a unique example of authoritarianism, with extreme economic equalitarian ideology.

## SUMMARY

As theories of group control, either democracy or authoritarianism provides the basis for every social organization. Democratic ideals and authoritarian principles exist side by side in any given society. For example, in the United States the people maintain the democratic ideal in political organization but accept elements of authoritarianism in other types of social organization, such as business enterprises, schools, churches, and families. For the most part, we think of these two theories of group control as applying to political organizations and processes more than to other social organizations and processes, although there is no real reason why we should.

Each of these theories has its advocates. The features of each permeate the various aspects of society wherever they are upheld. Each is characterized by particular features that are in opposition to those of the other. The chief features of democracy, with the opposing features of authoritarianism, are as follows:

- (1) Democracy places great worth upon the individual as being important in society and as having political, economic, and social rights; authoritarianism allows the individual no place in society except as glorifying the state and the leader.
- (2) Democratic authority is derived from the people, who have a right to express their opinions and to participate in choosing public officials and in formulating public policy; authoritarianism is based upon rule by an elite group or by a leader, who makes the decisions for the "masses"; it institutes authority from the top down and exacts obedience from the bottom up.
- (3) Democracy, being derived from the people, is always in the making—that is, always changing to meet conditions of the times; authoritarianism, being based upon the will of those in power, does not sanction change, once the social order is established.
- (4) Democracy permits and encourages opposition in public policy-making, and within it, therefore, more than one political party functions; authoritarianism does not tolerate opposition to those in control and, therefore, a single political party dominates the policy of government.

Many theories and doctrines have been offered to justify both

democracy and authoritarianism, and millions of people have been influenced by one or another of these theories of group control. In the United States, political authoritarian doctrines have not been given much support because these doctrines were discarded early in the history of the nation and are not a part of the tradition. The course of democracy, however, has not always been smooth and unfaltering, and the problems of the twentieth century present a challenge to the functioning of democratic procedures. Today, as in the past, democracy must be reworked to fit the culture of the time.

## QUESTIONS

1. What general features characterize democracy as a form of group control?
2. What is the relation between education and democracy?
3. Which view do you take of the present so-called crisis in democracy? Why?
4. What have been the major steps in the development of democracy in the United States?
5. List some political institutions that you believe are necessary for democracy.
6. How may economic democracy conflict with political democracy?
7. What items would you list as the three most important in an economic bill of rights?
8. Explain the two main groups of thought which support authoritarianism as a means of group control.
9. Upon what is the authoritarian principle based? Identify the various doctrines which have been advanced in support of the authoritarian principle.
10. What reasons can you find for the slow growth and the frequent setbacks of democratic ideas?

## DISCUSSION

1. Does the presence of a city "boss" prove that democracy has been destroyed in that city? Why or why not?
2. It has been said that citizenship in a democracy is more burdensome than that in a dictatorship. What do you think is the basis for this statement?
3. Give examples of complex governmental problems that make it difficult for the citizens of the United States to take an intelligent part in political processes.

4. How would you justify the authoritarian method in operating a business? Why would your arguments not apply to the political organization?
5. What kind of inequality is suggested by minority rule? Is minority rule impossible in a democracy? Why or why not?
6. What evidence can you present to support the belief that the masses lack political judgment? Have political judgment?
7. "One of the basic preconditions for political democracy in any society is economic well-being." What arguments can you make for this statement?
8. Consult the Twenty-second Amendment to the Constitution of the United States. Is this Amendment a restraint on democracy? Defend your answer.

## TERMS

**Bolshevik:** As a result of a split in the Russian Social Democratic Party in 1903, the Bolshevik [majority] faction became the extremists and developed into the Communist Party of the present.

**Elite:** A choice or select group considered or treated as socially superior because of birth, capabilities, or attainment of a preferred position or status in society by any number of possible means.

**Intelligentsia:** An educated or professional group, class, or party.

**Menshevik:** The moderate faction of the Russian Social Democratic Party after the split in 1903. The Menshevik [minority] faction advocated changes in Russia by evolutionary means rather than by the revolutionary methods of the Bolshevik faction.

**"Nordic race":** The tall, blond Germanic people of Northern Europe

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### 3 PLANNING IN SOCIETY

One of the important issues arising from the alternatives presented in the preceding chapter is that of group planning. With the growing complexity of modern society, the planning phase of social organization has become increasingly significant. Much of the material presented in Volume I of *Man in Society* illustrates this trend. Consider the factors of urbanization and the accompanying problems of living in large cities in relation to the requirements for group planning; of the transformation of the Western world into an industrial society, with the dependence of each person upon many others; or of the increasing organization of society into large and complex interest groups. The growing necessity for planning also is evident in international affairs with the rise of many problems connected with a world community.

Planning may be defined as "... simply the conscious arrangement of conditions in the expectation that a predetermined result will follow."<sup>1</sup> This definition indicates that social planning requires group consciousness of a need, arrangement of conditions by the group, and group determination of the results to be accomplished. Planning, of course, is carried out by individuals as well as by groups. Virtually every person plans to achieve certain goals, and in the broadest sense individual planning is a part of the content and concept of freedom, which means the absence of external restraints.

In social planning, a distinction often is made between planning and improvisation. The latter refers to a process of meeting situations as they come along, without any previously formulated method or guiding "blueprint." At the other extreme, objectives are formulated and matched with a detailed prearrangement of condi-

<sup>1</sup> Thomas H. Robinson, and others, *Men, Groups, and the Community* (New York: Harper & Bros., 1940), pp. 912-913.

tions by central, over-all planning. The distinction between improvisation and central planning is largely a matter of degree. Somewhere between the two extremes lies the kind of planning considered in this chapter.

## AGENCIES OF PLANNING

Although social planning generally is associated with government, it is actually a function of all social and economic organizations. The private organization exists to accomplish ends beyond the reach of individuals. In considering typical planning agencies, attention is first given to the private corporation as illustrative of the nongovernmental area of planning. The planning function in the various levels of government then is presented.

### *Planning and Corporations*

The sheer size of some corporations in the United States causes them to engage in social planning. The aspect of size of business was discussed in Chapter 20, Volume I; but for comparison with units of government, the consideration of corporate size warrants some repetition. In 1941, the Temporary National Economic Committee, a fact-finding committee created by Congress to study the economy, published a report comparing the assessed property valuation of each of the States with that of each of the thirty corporations reporting assets of one billion dollars or more in 1935. The largest of these corporations, the Metropolitan Life Insurance Company and the American Telephone and Telegraph Company, had assets greater than the property valuation of any one of thirty-eight States. The smallest of these corporations, the Bankers' Trust Company, had assets (\$1,030,000,000) greater than each of eighteen States.

The operations of these corporations have an effect on society. They are engaged in directing labor, processing materials, using equipment, and dealing with the public in such a way as to gain their objectives. In many respects, large corporations are like units of government, and they are forced to respond to many diverse parties-in-interest. Their policies cut across a wide range of social and economic interests—from destroying competition to increasing labor productivity, educating or propagandizing consumers, and developing new markets.

The remarks of Congressman Emanuel Celler, Chairman of the

Subcommittee on Study of Monopoly Power of the House Committee on the Judiciary (1949), show how social objectives develop as business grows. He pointed out that

. . . the General Motors Corporation has 436,000 stockholders; it has 401,000 employees; I do not know how many suppliers it has; I do not know how many customers it has; I do not know how many subcontractors it has, but I venture the assertion that all the latter are equal to the number of stockholders and employees which would make those interested in General Motors, aside from the public, about a million and a half people. Therefore, General Motors is no longer a private operation; . . . what I see and envisage is that General Motors, because it has so many suppliers, so many customers, so many dealers' agents, so many subcontractors, so many people who make parts for them, so many stockholders, and so many employees is in and of itself a sort of collectivist enterprise; it is no longer private. It becomes a public proposition, and it is growing increasingly so.<sup>2</sup>

Although business units frequently are presumed to exist solely for the purpose of increasing their own wealth to the highest possible degree, this presumption overlooks the effect they have upon the total community. Even if this narrow objective remains the chief one, the means of reaching it are plans that contain diverse social objectives.

### *Planning at the Local Level of Government*

Planning by local government is of direct interest and importance to the people of a community. For example, formulating objectives about and arranging conditions for such local group enterprises as roads, schools, parks, and other matters of interest in the locality have been accepted as necessary and desirable activities. An important aspect of local planning is the development of the urban planning function. The rapid growth of cities and the changing technology of the twentieth century have given the city in the United States a distinct and difficult set of social problems. Problems of inadequate trafficways, overcrowded residential areas, and the many similar tensions that were presented in Chapter 8, Volume I, have brought forward various kinds of city planning. Unfortunately, substandard conditions were so far advanced that the planning function has been handicapped. As one author has pointed

<sup>2</sup> *Study of Monopoly Power* (Hearings before the Subcommittee on Study of Monopoly Power), Eighty-first Congress, First Session, Serial No. 14, Part 2-A, p. 574.

out, "City planning is a function that received little attention prior to the twentieth century. Consequently, most cities have grown more or less haphazardly, and the chief practical results of city planning are correction of the worst mistakes of the past and control of future developments."<sup>2</sup>

For this reason, therefore, some of the most advanced planning is found in new areas that are tributary to a metropolis. In such areas, a reasonable amount of economic stability exists, and the pattern of planning is not forced into the obsolete forms characteristic of the older parts of the metropolis. Also, new towns, like Norris, Tennessee, built to accommodate the personnel employed by the national government in the Norris Dam area of the Tennessee Valley, can be planned to meet the needs of their residents. The planners of these towns are not forced to adjust their plans to an established pattern of existing conditions.

In rural areas of the United States, less attention is given to the planning process. Some pressing problems, in such areas as soil conservation, natural resources development, and health, however, exist in these areas. Often the development of programs to solve these problems comes from general recognition of them rather than from a spontaneous movement within the smaller rural group in any particular area. Part of the reason for this tendency is brought out below.

### *State Planning*

In the United States, the States have carried out rather limited functions in the fields of social and economic planning. The problems requiring planning often are not within one State but cut across the boundaries of two or even more States. Furthermore, some problems are of a local rather than a State-wide nature. Many of the typical areas of planning thus tend to belong naturally to larger or smaller units. Also, the financial resources of the States have discouraged long-range expenditures which might not be economically justifiable.

Certain services, however, are performed by the State, and these services entail the planning of long-range programs. An example of such planning is the comprehensive program for highway improvement that some States have formulated. The general policies involved in highway improvement and construction are framed

<sup>2</sup> Ernest B. Schulz, *American City Government* (New York: Stackpole & Heck, Inc., 1949), p. 43.

by the State legislature. The policies are implemented by public agencies usually designated as the highway department, highway board or commission, or public works department. One of the features included in the plans of the States is the construction and improvement of through highways, usually designated as federal highways. The State receives federal grants-in-aid amounting to about one-half of the cost of such highways. Other features are construction and improvement of the principal State highways, secondary State highways, and county and township roads. Often the plans call for a definite road network, with all roads of the

#### NATIONAL-STATE PLANNING MAKES INTERSTATE HIGHWAYS POSSIBLE

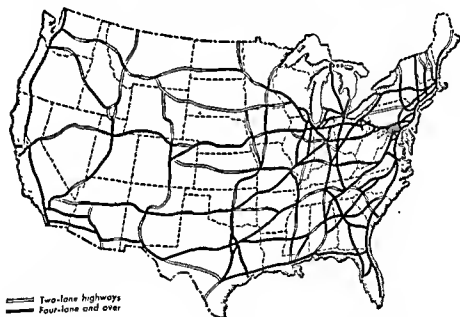


Figure 2

State tying in with the federal and principal State highways. Also included in the program is conscious planning of "farm-to-market" roads to enable the farmers of the State to transport their produce to markets over good roads. A recent trend in State highway programs is the planning and construction of superhighways connecting points within the State between which traffic is heavy. These superhighways often are planned to connect with similar highways under plan or construction in adjoining States. A common feature of the State highway planning programs is that they are long-range, usually calling for completion in from ten to twenty years.

Under the leadership of the national government, after 1932, most of the States established planning agencies of one kind or another, variously called State Development Commissions, Planning Boards, Natural Resources Commissions, and the like. Few of these have developed into fully implemented planning agencies, although many of them have co-operated with the national government in some of its programs, such as conservation of natural resources and highway construction. Some of these agencies have become a means of collecting data about the State and its opportunities and thus are useful in a State publicity program. Of course, the routine activities of State government require some of the planning function. In the modern conception of planning, however, the States have not played as large a part as other agencies.

### *Regional Planning*

In sharp contrast with the States, regional areas in the United States have given promise of achieving significance as units for social planning. Developing around an integrating factor, such as a city or a river valley, the region overcomes the obstacles that handicap State planning. Provisions for a public regional agency have to be made by already established governments. For example, the national government may set up administrative or other divisions, or an interstate compact may be made and carried out by State agencies. The total goals involved in regional planning projects are such as are not of interest to private agencies or corporations. They involve matters of general welfare that cannot be appraised by specific cost accounting and money profits.

A large city may extend its influence over many aspects of human relations in the surrounding area and thus create a relatedness among its social problems. In such a case, to understand the social problems of the region requires an understanding of the central feature, the city. Even more clearly, a river valley often may serve as an integrating factor, since many of the social relationships among the people living there are conditioned or limited by the river. The stream itself may be put to constructive uses, or it may be destructive in its effects upon human life. Frequently, planning is applied to control the potentialities of a stream, with the objectives of decreasing its destructiveness and increasing its contributions to human and social welfare. The outstanding example of river-valley regional planning in the United States is that conducted by the Tennessee Valley Authority (TVA). The develop-

ments in the Tennessee River region are described in some detail, therefore, as illustrative of this kind of planning.

**TENNESSEE VALLEY AUTHORITY** Although the Tennessee River had been used for navigation since early in the nineteenth century and had received attention under flood control policies from the time of the Civil War, the idea of integrated regional planning for it developed from the needs of World War I. Under the National Defense Act of 1916, a hydroelectric power plant was constructed on the Tennessee River at Muscle Shoals to generate power for the manufacture of explosives. The war was ended before the project was completed, but the manufacture of nitrogen was of value in the production of fertilizer. The usefulness of further development of the project was seen and upheld by a number of congressmen from rural areas, with Senator George Norris of Nebraska as the leader. Since the development by the national government of hydroelectric power-generating facilities aroused the opposition of privately owned power interests, legislation providing for the Tennessee Valley Authority was delayed until 1933.

A number of factors contributed to the enactment of this legislation. First, depression conditions were undoubtedly a contributing factor, for governmental activity and intervention in social and economic relations became more acceptable than they had been in more prosperous times. Second, the controversy in this matter was a subject of public discussion for a period of years. The possibilities of further development were debated, and some valuable experience was gained through the construction of the plants as authorized by the National Defense Act of 1916. Third, there had developed a growing dissatisfaction with the relative lack of success of policies regulating the privately owned electrical utilities. This feeling was associated with an interest in conservation of natural resources, especially with leases of power sites on navigable waters and with multiple-purpose development of rivers.

A review of the historical background of TVA shows that the proposed unified development of the Tennessee River was the culmination of the gradual extension of governmental responsibility in first one field and then another—navigation, flood control, strategic war materials, hydroelectric power, unemployment, relief, and conservation of human resources. Regional planning appeared when these fragments began to be pieced together in a pattern determined by the flowing stream. That is, the interrelationship

of these fragments was recognized and given consideration. Regional planning, therefore, became a part of the operational work of the regional program. Thus, when the region became identified, planning, construction, operation, and other aspects of the program proceeded concurrently.

The Tennessee Valley Authority Act, passed in May, 1933, provided for the following objectives:

- (1) Maximum amount of flood control
- (2) Maximum development of the Tennessee River for navigation
- (3) Maximum generation of electric power consistent with flood control and navigation
- (4) Proper use of marginal lands
- (5) Reforestation of all lands in the basin suitable for reforestation
- (6) Economic and social well-being of the people living in the Tennessee River basin

The breadth of the program is indicated by the above objectives. To carry out the responsibilities of the program, the Act established a public corporation—the Tennessee Valley Authority. The Authority had these powers: to sue and be sued; to make contracts; to purchase, lease, hold, and dispose of property; and to take any legitimate action necessary or appropriate to exercise the specific powers conferred by the Act.

This corporation was placed under the direction of a three-member board appointed by the President with senatorial approval. The members, appointed for nine-year terms, devote full time to this public responsibility.

The administration of the regional program was intended to function with considerable freedom, not only in the objectives stated above, but also in organizational arrangements. This freedom and responsibility of a regional agency is an important characteristic of a regional planning problem. In the TVA, however, this regional autonomy is not complete. Several links to the national government remain, and to this extent the program contains elements of national planning. The directors are chosen by presidential appointment instead of from within the region itself. Congress also controls annual appropriations made in support of TVA operations. Congressional appropriations to the TVA are made necessary because it performs a variety of noncommercial functions, such as navigation improvement, public health measures, and general planning and development.

These links to the national government do not give the TVA



complete autonomy. In essential aspects, however, a high degree of regional and functional independence has been established. The administrators can choose their own methods of reaching the objectives set forth in the Act. The corporation also is freed from the requirement of conformity to the general provisions of the Accounting Office for government departments. Although prohibited by the Act itself from making any political appointments, the corporation is not compelled to recruit personnel through the Civil Service Commission. To a large extent it may develop its own accounting procedures and personnel practices.

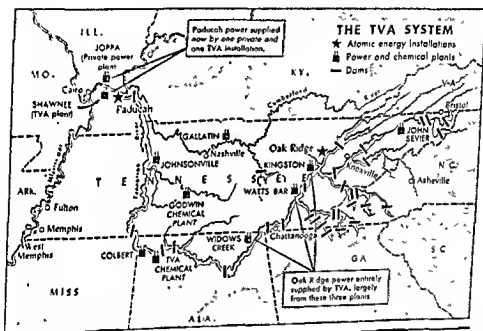


Figure 3. TVA area designated on map is region where TVA power is sold. As map shows, a few TVA production facilities are situated outside this area. (Courtesy the *New York Times*)

Public planning procedures under the TVA are not separated from its operations; planning is a part of the work of each operating procedure. David Lilienthal, former chairman of the Board of Directors of TVA, pointed out that no separate division or section of planning in the TVA organization exists. Naturally, the proposals made prior to the enactment of the TVA legislation had to some extent the nature of planning.

Although power generation and transmission were secondary purposes in the TVA Act, a number of factors have contributed to make these functions foremost among the purposes of the project.

One of these factors was the discovery that the potential market for low-cost electricity was large. A second was the interest of Lilienthal in the electrical utility project and his conviction that public development of this form of energy was of importance to society. (Lilienthal was the dominant personality in the TVA from 1933 to 1946.) A third factor was the immense demand for electricity for defense purposes after 1940. These considerations led to an interest in emphasizing power production even at the expense, if necessary, of other functions. The number of kilowatt-hours generated has increased each year, going over the billion mark in 1939 and reaching twenty billion in 1950. The TVA owns and uses steam-electrical generating facilities that are operated to supplement hydroelectric power.

The generation of power has been accompanied by development of services in transmission and distribution. All of the hydroelectric plants are interconnected in order to assure maximum efficiency and security. High-voltage transmission lines lead to important cities and defense plants in the region. Rural and village distribution is carried out largely by co-operatives, most of which are organized under the Rural Electrification Administration (discussed in Chapter 24, Volume I). In 1950, 85 per cent of the farms were electrified, compared with 3 per cent in 1933. The TVA has formed the policy of transferring facilities for transmission and distribution of power to public distributors as rapidly as these are organized.

The availability of electrical power has been a principal factor in the industrial development of the Tennessee River Valley. The Atomic Energy Commission has located huge defense plants in the region, and private industrial enterprises, such as canning factories, meat-packing plants, and flour mills, have been established there. Manufacturing income more than tripled in the first twenty years of the TVA, and manufacturing employment increased 72 per cent. The navigable 630-mile channel of the Tennessee River carries hundreds of millions of ton-miles of freight annually; some of the large users are oil companies and flour mills.

The TVA has not developed the idea or policy of a single, all-embracing regional unit. In many phases of its work, TVA has worked with other agencies—for example, the extension services of the Department of Agriculture in land-use and crop production, and the services of the Agricultural Stabilization Agency, the Soil Conservation Service, the Rural Electrification Administration, and many others. The extent of functional unification of administration

in a regional agency thus may be limited. Apparently the planners and originators of the TVA had in mind an agency that would develop the multipurpose concept and tend to absorb many more of the public services of the region than it actually has. The conditions and circumstances during the years of construction and operation, however, have guided the TVA into the kind of operation to which it now is giving priority.

Certain conclusions can be drawn from the experience of the TVA in regional planning. For one thing, it shows how important electrical energy has become in the civilization of the twentieth century. Unless displaced by other forms of energy, such as atomic fission, electricity will be a central factor in many phases of economic and social life. Second, the fear of the opponents of regional planning that it would assume a political totalitarianism has not been realized in the functions of the TVA. As has been pointed out, many public agencies in the Tennessee Valley perform functions closely related to TVA. Also, the TVA has stayed out of the more remotely related or unrelated functions. For example, it has disposed of its ownership of the town of Norris, Tennessee. It earlier had built and managed the town in connection with the construction of Norris Dam. In the third place, the idea of transplanting the TVA system without change to other river systems is apparently not a practical one. The TVA grew out of a number of historic factors that existed in the Tennessee Valley and only there is the TVA a sociological response to these factors. Probably integration will be brought about in other river systems and regional advantages thereby gained, but this integration will no doubt take into account the historic and economic factors of each river system.

**OTHER RIVER VALLEY DEVELOPMENTS** Other river development programs, while not under the administration of a regional authority, have been evolved by the Bureau of Reclamation in the Department of Interior as the planning agency. The lower Colorado River has been utilized as a central regional factor in a seven-State compact under which a division of the available water is provided. The construction of Hoover Dam on the Colorado River, completed in 1935, was the Bureau's first venture in large-scale river valley development. Since then, it has supervised construction on the Columbia River of the Grand Coulee Dam, the largest in the United States. And it has been an important agent for regional planning in the development of water use in the Missouri River Basin. Between

1945 and 1949, more than \$100 million was appropriated by Congress for use in the Missouri River Basin by the Reclamation Bureau. In 1949, forty-two major projects were under way in the Bureau's construction program in that region.

Measures have been introduced in Congress providing for the establishment of regional authorities covering the entire continental United States. Most of the regions proposed consist of river basins or systems. Some of these proposed regional authorities are the Columbia River Authority, the Missouri Valley Authority, the Mississippi River Authority, and the Ohio Valley Authority. The proposals so far have received scant consideration by Congress. Apparently regional planning is in its beginning stages in the United States, and the most suitable kind of administrative organization remains to be worked out for each region.

### *National Planning*

In the foregoing discussion of regional planning, the close relation between regional and national planning is evident. Regional programs develop from policies formulated at the national level, even though the policies deal with problems pertinent only to a certain part of the nation. The national planning function is not confined, however, to only a particular geographical area but may be applied to the entire nation.

National planning increases in importance with the complexity of society, a complexity which requires planning in ever larger areas. Many things once planned and executed on a local level have become so extensive, technical, and complicated that they are now of national concern—for example, highway construction and traffic, rail and inland water transportation, conservation of natural resources, taxation programs, and the influence of business on the economy. Interdependence of localities has made local community planning increasingly difficult. Problems or tensions in scattered local communities have results that may be felt throughout the nation. For example, widespread unemployment in an Eastern industrial city results in decreased demand for Southern cotton. Conversely, soil erosion on Southern farms, which decreases production, results in higher costs of cotton goods in urban centers of the United States. Thus the local community often has within its reach only a segment of a problem for the solution of which planning is needed. A city that is planning to meet its transportation needs must consider relationships with national aviation policy and

co-ordinate its work with nationally subsidized State highways. The city, town, or rural district no longer can go ahead entirely "on its own"; it has become a co-ordinated part of a larger planning unit. As a result, national planning is the natural solution.

Several agencies have been established at the national level of government to carry out planning functions. These agencies are organized for important fields, such as natural resources utilization, employment, labor relations, and finance and credit. The responsibility for co-ordinating the planning of these agencies lies with the highest policy-making authorities of the national government. A detailed examination of each specialized agency is beyond the scope of this book, but the general outlines may be made more clear by sketching the structure of some of them.

**THE NATIONAL RESOURCES PLANNING BOARD** A renewed concern about conservation and development of the natural resources of the United States brought about the creation in 1934 of the National Planning Board as a unit within the Federal Emergency Administration of Public Works. After several changes of name, purpose, and administrative status, this Board in 1939 was named the National Resources Planning Board (NRPB) and placed in the Executive Office of the President. The Board consisted of three members appointed by the President. Its functions were to prepare and recommend to the President and Congress long-range plans for the wise use of natural resources. Employment stabilization and public works also were included in the Board's responsibilities. Central responsibilities were divided among three assistant directors, and eleven regional offices were established in the continental United States and Puerto Rico.

The NRPB did a considerable amount of technical research, issuing reports containing factual data upon which the outlines of public policy might be built. Typical report titles were *Industrial Location and Natural Resources*; *Drainage Basin Problems and Programs*; *Report on Security, Work and Relief Policies*; and *The Southeast*. With the coming of World War II, the NRPB worked with the War Production Board on studies of industrial location and with agencies of State governments on community problems resulting from war activities. In 1942, the Board began to study the problems of readjustment and stabilization that were certain to come in the postwar period.

The NRPB was abolished by Congress in 1943. Many objections

had been raised, especially by members of Congress, to its activities. Although its research work was admitted to be useful, some of its policy proposals were objected to on the grounds that they usurped a part of the legislative process. Some administrative agencies, also, objected to the NRPB on the grounds that it interfered with their functions by advising the President and the Bureau of the Budget about the co-ordination of the work among the various administrative agencies. Certain interest groups also criticized this agency as representing an undesirable trend toward regimentation of the economy.

The abolition of the NRPB shows the reluctance of the people of this country to accept and to provide for the planning function in the national government. As a fact-finding agency, a planning board tends to be suspected of desiring to acquire power and influence. Yet its research seems sterile and useless unless policy recommendations based on such research are made and defended by the board itself. Perhaps the planning and the operating agency should be the same. Such is the case with the TVA, where no provision is made for a separate "planning board" or "division of planning."

**THE COUNCIL OF ECONOMIC ADVISERS** The Employment Act of 1946 created the Council of Economic Advisers, consisting of three economists to "assist and advise the President in the preparation of the Economic Report . . . to analyze and interpret economic developments, to appraise programs and activities of the Government . . . and to formulate and recommend national economic policy to promote employment, production, and purchasing power under free competitive enterprise."<sup>4</sup>

The Council is essentially an agency for economic planning, but is entirely without power to put its plans into operation. It cannot co-ordinate the work of other national or State agencies, and its work is limited to making studies, recommendations, and plans and to advising the President. The President, in recommending economic and fiscal policy to the Congress, has available the expert advice of the members of the Council. He is still responsible, however, for the formulation of executive policy. At the same time, the President is expected to evaluate and take into consideration varied social and political, as well as economic, factors, so that he does not simply adopt the conclusions of the Council of Economic Advisers.

<sup>4</sup> Council of Economic Advisers, *First Annual Report to the President* (Washington, D.C.: Government Printing Office, 1946).

**NATIONAL DEFENSE AND PLANNING** The National Security Act of 1947 was designed to provide a comprehensive organization for national defense. The whole administrative structure was called the Organization for National Security. Included in the Organization was the National Military Establishment, with a civilian Secretary of Defense having cabinet status at its head. Within the National Military Establishment were the Departments of the Army, the Navy, and the Air Force, each under a civilian secretary without cabinet status. In addition to these service departments, the National Military Establishment contained at first the Munitions Board, the Research and Development Board, and the Joint Chiefs of Staff. To these agencies a Personnel Policy Board was added in 1948.

The other agencies within the Organization for National Security were the National Security Resources Board (NSRB) and the National Security Council (NSC). The NSRB was responsible for planning industrial mobilization for national defense and for co-ordinating civilian and industrial defense. The NSC was to evaluate intelligence data, and for this purpose the Central Intelligence Agency (CIA) was established within it. The job of co-ordinating national defense with foreign policies also belonged to the NSC. An important development was the tendency to merge planning with operations in the agencies making up the Organization for National Security.

Several changes have been made in the security and defense organization since 1947, the date of the National Security Act. Congress amended the law in 1949, changing the National Military Establishment to the Department of Defense, which retained most of the agencies of the National Military Establishment. In August, 1949, the National Security Council and the National Security Resources Board were transferred to the Executive Office of the President by executive order.

Although the various changes in the security and defense organization were designed to prepare the nation to meet an emergency, the outbreak of the Korean War in 1950 indicated some weaknesses in security and defense plans. Accordingly, President Dwight Eisenhower submitted to Congress a reorganization plan which became effective in the summer of 1953. Many of the existing agencies were abolished—for example, the Research and Development Board, the Munitions Board, the National Security Resources Board, and others. In their place, the Office of Defense Mobilization (ODM)

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in the Executive Office of the President was expanded to plan the mobilization of the nation's physical resources and manpower to meet any possible emergency. At the same time, the Central Intelligence Agency of the National Security Council was strengthened. The authority of the Secretary of Defense was broadened and strengthened to give him more direct control over the armed forces of the nation, and the Joint Chiefs of Staff were made an advisory body to the Secretary of Defense.

The organization to promote national security illustrates not only the extent of the relation of planning to administrative operation but also how interrelated the policy problems facing any large-scale social unit have become. Defense policies of the national government are no longer viewed in isolation, but are co-ordinated with many other policies for efficiency. Industrial mobilization, natural resource utilization, foreign relations, and education and research are broad areas in which correlation of the work of many departments, including that of defense, is required. For example, the National Security Council has among its membership the Secretary of State, the Secretary of Defense, and the secretaries of the three military services, and it meets under the chairmanship of the President of the United States. And the Office of Defense Mobilization has close relations with the Departments of Defense, Commerce, Interior, State, Agriculture, and Labor.

One of the arguments often made against the development of national planning is that extreme nationalism and a trend toward isolation will result. Undoubtedly national planning does strengthen the nation's policies and does give the government added means for meeting emergency situations. Furthermore, a stronger national government often makes a stronger nation and hence may make nationalism stronger. But national planning is a result as well as a cause of this development. In the United States, the social and

increased awareness of international responsibilities. As such operations as improving conditions of health and providing technical assistance to underdeveloped areas develop in the international field, planning may be expected to become a function facilitating the operations. International problems are reserved for the final part of this book. But mention may be made here of such international organizations as the Food and Agriculture Organization, the International Civil Aviation Organization, the World Health Organization, and the Universal Postal Union. Included in the work of these organizations is limited planning.

## PLANNING AND FREEDOM

### *The Relation between Planning and Freedom*

The material presented here has been designed to show that planning is a pervasive aspect of human life and one that appears in almost any society. Although the planning of nongovernmental groups has been touched upon, major attention has been given to public or governmental planning. No particular relation has been made between planning and theories of democracy or authoritarianism, but such a consideration may provide some understanding of the planning process, about which there has been considerable controversy.

The arguments against planning are directed largely against governmental centralized general and specific planning. In the present chapter, the term *planning* has been used in a much wider sense. Much of the argument, however, is relevant to the future developments, if not to the present status, of such agencies as the Council of Economic Advisers and the Office of Defense Mobilization. The criticism of planning is that it destroys freedom. Economic freedom may be more important than any other kind, but the other kinds of planning have the same effect on other kinds of freedom that economic planning has on economic freedom. Therefore, the relation between planning and freedom in general is a basic consideration amid the conflicting ideas regarding planning.

### *Criticism of Planning*

One of the most vigorous criticisms of public economic planning appears in *The Road to Serfdom*,<sup>5</sup> written by an Austrian economist, Friedrich A. von Hayek. In this book, Hayek contends that planning and liberalism are opposites. Planning, to Hayek, consists of direct-

<sup>5</sup> Univ. of Chicago Press, Chicago, 1944.

ing all economic activities according to a blueprint, whereas liberalism consists of conditions under which the initiative and abilities of individuals are given the best opportunities for expression. Competition is held to be the superior control for economic activity, because it is the most efficient method and the only method that does not require coercion by authority. The proper functions of the state, then, are to preserve conditions under which competitive activity will be as effective as possible, to prevent fraud and other criminal acts, and to break up monopolies. Thus planning for competition is upheld. This aspect of Hayek's opposition to economic planning is strikingly similar to the nineteenth-century liberals' antagonism to governmental intervention in economic activity. The liberals then strove for acceptance of the *laissez-faire* doctrine, which called for limited government, free competition in the economy, and individualistic determination of general welfare.

Hayek contends also that state planning as an economic means of replacing competition will destroy democracy because democratic assemblies cannot function as planning agencies. The total mobilization of national economic resources, according to Hayek, requires a degree of agreement that democratic groups cannot reach. A compromise plan cannot be relied upon to produce results. Thus the demand arises for delegation of the planning function to "experts," whose power tends to increase at the expense of the democratically organized bodies. Dictatorship is, in fact, essential if central planning is to succeed, because the governmental plan, to be successful, must be coercive. Individual liberty is lost in the interests of a planned society. The planning authority would decide for all what commodities and services would be available and in what amounts. It also would direct distribution among geographical districts, groups, and individuals. Furthermore, human resources would be allocated to the different kinds of production, thus depriving persons of the freedom to choose their own occupations.

That security is reached through economic planning is attacked by Hayek as an unsound belief. Its unsoundness, he says, is shown most clearly in the planning methods of the United States under which efforts have been made to "stabilize" prices or wages and to "regulate" enterprises. These policies tend to give security to one group while increasing the insecurity of the rest—that is, restrictions on economic freedom reduce the security of those who are excluded from the protections provided by the planners.

Hayek believes that the leader who rises to supremacy in a planned economy is morally inferior to the one who wins leader-

ship in a liberal society. In this respect, again, Hayek appears to support the nineteenth-century doctrine of liberalism that placed major stress on individual initiative, with no restraints by the state. According to Hayek, the leader must have around him a group entirely submissive to him and willing to impose his orders upon the rest of the people. This required uniformity of ideas cannot attract those with higher education and intelligence, but rather those who are without strong convictions of their own and are swayed easily by emotional appeals. These appeals often arouse hate or envy against a class or group. To execute the plan, the members of the leadership group submerge the individual's rights in collectivist goals, and the principle that the end justifies the means tends to win acceptance. The best opportunities in a planning regime thus are opened to the ruthless and unscrupulous.

In summary, the above criticisms of governmental planning by Hayek are that (1) it destroys freedom and democracy, (2) it lessens rather than increases security, and (3) it develops leadership of the morally and intellectually unfit. These arguments appear in various forms in the writings of many social scientists. They make up a part of the defense of capitalism, *laissez faire*, and the tenets of nineteenth-century economic liberalism.

### *Defense of Planning*

The development of the types of planning discussed in the present chapter and the doubt as to the strength of competition as a control of the economy have awakened much interest in the processes and results of governmental planning. Some people do not regard it as a destroyer of freedom but rather see in it potentialities making possible better living conditions, greater cultural achievements, and more freedom. A defense of governmental planning is found in Mrs. Barbara Wootton's *Freedom Under Planning*,<sup>6</sup> written in reply to Hayek's book. In Mrs. Wootton's book, no extreme claims are made for planned societies. The author, however, does undertake to show that planning diminishes restrictions on individual actions and actually enlarges freedoms. She asserts that the area of planning is by its very nature limited to (1) things about which identifiable objectives may be established "for the good of all," (2) objectives which can be ascertained with reasonable accuracy, and (3) societies in which the people actually will pursue objectives that are "for the good of all." Thus, the concept of total plan-

<sup>6</sup> Univ. of North Carolina Press, Chapel Hill, N.C., 1945.

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ning that is set up by the opponents of planning is rejected, and a concept of partial planning and approximation of ideal results is substituted. The latter concept is defended more easily on democratic grounds than the absolutist conception of centralized, over-all planning.

Mrs. Wootton contends further that there are several kinds of freedom—economic, political, and cultural. Economic freedom involves the consumer's liberty to spend and to save and the producer's freedom to go into business on his own account and to make and sell what he likes for the public to buy. Political freedom includes the right to express criticism of the government, to form opposition political parties, and to replace executives and legislators by others without resort to force. Cultural freedom includes such freedoms as speech, worship, and intellectual improvement. To plan for any of these freedoms is possible, but to do so may mean to restrict some of the others. To assure complete freedom of speech to all, for example, would require considerable mobilization and restriction of economic goods. Buildings would have to be constructed in which an audience could gather, or a microphone provided to reach them in their homes, or paper manufactured on which to write what they might read. None of the freedoms, therefore, is complete. Some are restricted while others are encouraged. Government cannot avoid selecting and planning for some objectives.

The development of governmental planning is admitted by Mrs. Wootton to increase the power of government. But this power may be used in different ways and in different degrees. Risks always are involved in extension of power, but advantages also exist. The reason for preferring any government whatever is that the advantages of organized power seem to outweigh the risks. The increased governmental power does not necessarily extend to control of cultural freedom. In a large and complex society, a person gives up much of his freedom to determine his course of action, but he has learned to accept the limitations on personal freedom necessary for modern living.

The problem of leadership in a planned economy is entirely different in a democratic society from that in a dictatorship. The argument that leadership degenerates in a totalitarian system does not apply to democracy. The basic assumption of democracy is that the electorate is capable of exercising a sufficient degree of reason in its choice of leaders. In this respect, a democracy that engages in



economic planning and one that does not are alike. Unless adequate leaders are chosen by the democratic process, free democratic society is impossible.

The administration of Franklin D. Roosevelt (1933-1945) introduced techniques of economic planning into national policies to a greater extent than had been done previously in the United States. The trend of governments everywhere has been toward an increased amount of economic planning, and the United States has been one of the last to follow this trend. Undeniably, governmental planning offers possibilities for increasing collective power. That there are dangers in this power almost everyone admits, but many people deny that disaster must result. Achievements of governmental planning can be cited—for example, improved urban living conditions, efficient traffic systems, universal education, natural resources development, and low-cost electric power. But those who endorse planning contend that no scheme for collective action in a democracy will be better than active citizens make it. At least they must (1) recognize objectives that are in the public interest, (2) be willing to work toward these objectives, and (3) choose and support public leaders of character and ability.

## SUMMARY

The growing complexity of modern society has increased the assumption of the planning function by the group. By social planning is meant "the conscious arrangement of conditions in the expectation that a predetermined result will follow." Therefore, the particular elements involved in the planning process are (1) group consciousness of the need for planning, (2) group arrangement of conditions, and (3) group determination of the objectives to be achieved.

Social planning is a function of private social and economic organizations, as well as of government. In conducting their business activities, large corporations act as a force upon society as they utilize men and materials to produce goods that society wants, and their policies affect a wide range of social and economic interests. Planning, however, is usually thought of as a function of government. Local governments arrange conditions to reach certain objectives when they build roads, schools, and parks; provide for housing; and promote other local interests. State governments engage in only limited planning. State boundaries ordinarily do not enclose

areas that are economic units in themselves, so that the State government is less able than other levels of government to engage in planning processes. Nevertheless, some planning, such as that of highway programs and natural resources development, is carried out by the States.

In contrast with the States, regional areas in the United States have gained acceptance as units of social planning. An integrating factor, such as a city or a river valley, gives the region unity, lack of which handicaps State planning. The outstanding example of regional planning is that carried on by the Tennessee Valley Authority. In its work, the TVA has developed planning and operational functions concurrently. In other words, a general blueprint of plans is not laid out first; rather, plans and operations are carried out simultaneously.

Although the people of the United States do not favor over-all, centralized planning for the entire economy and society, the national government has engaged in some social planning. Several agencies at the national level are planning agencies—for example, the Council of Economic Advisers and the Office of Defense Mobilization. The function of the Council is to advise the President about the economy of the nation, and the ODM is to make plans to provide for the defense and security of the nation in a war emergency.

Considerable difference of opinion prevails about the relation of social planning to democracy. Opponents of planning contend that it destroys freedom, lessens security, and develops leadership of the morally and intellectually unfit. From their point of view, planning necessarily must be carried out by authoritarian methods. The advocates of planning argue that a certain amount of planning can be accomplished by democratic processes and that, through planning, general welfare can be improved. They contend that society is able to choose its objectives and that, through such choice, freedoms may be enlarged, greater security provided, and able leadership developed. In other words, the dangers of centralization of power and authoritarianism can be avoided, and the public welfare can be advanced.

## QUESTIONS

1. What is meant by social planning?
2. Describe some social planning carried on by private corporations.
3. What national factors must now be taken into account in city planning?

4. What conditions and circumstances exist to make planning on the State level less effective than planning on the local and national levels of government?
5. Why has regional planning developed in the United States? Explain the planning function as carried out by TVA.
6. Give some examples of planning at the national level of government. Why do we not have over-all national planning in the United States?
7. What are the possible relations of economic planning to internationalism?
8. What arguments can be made in favor of governmental planning? Against governmental planning?
9. What are the economic and political advantages of social planning? The disadvantages?

## DISCUSSION

1. Discuss examples of governmental planning of which you have had knowledge or experience.
2. Does the Council of Economic Advisers correspond to your idea of a central planning agency? The NRPB of 1939-1943? Give reasons for your answers.
3. What inconsistency is there in the points of view of persons who oppose social planning?
4. In regional planning and development of rivers in the Western States, the Bureau of Reclamation and the Army Engineer Corps have been said to compete for projects. This competition is usually criticized as harmful. Why is it any different from competition among manufacturers of automobiles, usually regarded as beneficial?
5. Usually the functions of government are described as threefold—legislative, executive, and judicial. Is there not a fourth—the planning—function? Where should this function be placed in relation to the other three?
6. It is frequently maintained that experts often disagree about the solution of problems in their field of specialized training. Should it be concluded therefore that experts should not take part in governmental planning? What place is there for experts in the government service?
7. "Events in the twentieth century move so swiftly that planning by a democratic government is impossible; policies must be carried out by improvisation." Discuss this statement pro and con.

## TERMS

**Executive Office of the President:** The Presidential staff organization consisting of a number of agencies designed to assist the national administration.

**Regional authority:** An administrative unit applied to a region—for example, the Tennessee Valley Authority, the New England Planning Commission, and the New York Port Authority.

**Ton-miles of freight:** A measure of the volume of freight transported over any route—that is, one ton carried one mile or more.

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## PUBLIC OPINION

The theories of group control discussed in the preceding three chapters have become actuality in many areas of the world. In every instance transmuting theory into reality has been implemented and maintained with the aid of certain techniques of group control. In politics, an efficient, brutal, secret police system may dominate all other control techniques. In religion, a concept, such as eternal damnation, may implement control. An understanding of the techniques of control aids in understanding the functioning of the group to attain established goals. The purpose of the present chapter and the following three is to present those techniques that have been fundamental in carrying out group control in the United States. It should be noted, however, that public opinion is given primary consideration in all countries, no matter what theory or structure of group control exists. Its importance is further emphasized by the fact that it is a basic factor in all other techniques of control.

### PUBLIC OPINION AS A CONCEPT

#### *Definition and Explanation*

The modern world is becoming increasingly aware of a controlling force known as "public opinion." That national governments have found it necessary to obtain a "favorable" public opinion on diplomatic maneuvers and other operations has made people conscious that group opinion counts for something.

Though most people have some understanding of the meaning of public opinion, their attempts to define it sometimes lack clarity and exactness. In newspapers and magazines, one finds references to "public resentment," "the public's approval," and "public bitterness." The reader may ask, "Who is this public of which they are

speaking?" If his opinion differs from that of the public under discussion, he may wonder why his point of view was not publicized. Or if one's opinion happens to be the same as that presented by a newspaper, as for example, when the statement is made that "the public was severely shocked to learn that the sheriff was shot down by gangsters in broad daylight," the reader may ask, "How did they know that that was my opinion? No one questioned me."

The term *public* may refer to the whole population of a given area, or it may refer to any smaller group within the whole. Thus any group, large or small, may be designated as a public. An attitude is a predisposition to respond in a certain way to stimuli, and when an attitude is expressed openly, it becomes an opinion. A conception of public opinion, however, requires the clarification of a third factor before it becomes understandable. In Chapter 4, Volume I, we pointed out that every group has many values that are considered fundamental by its members. Public opinion develops when there is any real or apparent threat to one or more of these group values. Drawing these threads of definition together, we may define public opinion as *the open expression of like attitudes by a total population or by groups within the total population regarding a real or an apparent threat to a group value.*

Several publics and public opinions may exist within a given population. Within the United States, for example, one public may say that the constitutional rights of Negroes are being violated, and at the same time another group may state that in its opinion comic books have a corrupting influence on children. Conflicting public opinions may develop, of course, and the group which finds comic books corrupting may be opposed by one which claims that such corruption does not occur unless the children are conditioned by poor education and unfavorable family life.

The kind of public opinion that most frequently arises is rather temporary, and many of the members voicing their opinions may not be closely associated with one another. For example, the public opinion urging the United States to join the United Nations was formed by persons completely unacquainted with one another, living in points as remotely separated as California and Maine. Their objective was attained and this particular public no longer exists, although another is now concerned with maintaining UN membership. Because many publics may exist within the total population, a person may belong to more than one public at the same time, and sometimes may be a member of each of two opposing publics. For

example, a businessman may join with others in expressing his approval of protective tariffs and of strong governmental controls to enforce these tariffs. At the same time, he may express his opinion, in conformity with others voicing the same belief, against all forms of governmental intervention in business. Increasing complexity of society and increasing efficiency of communication lead to ever more numerous publics.

### *The Ideal Public Opinion*

The quality of public opinion varies in direct relation to the way in which personal attitudes are formed. Therefore, public opinion may be integrated closely with every part of the threatened value, or it may be linked superficially to the value merely by mentioning it in the expressed opinion. To illustrate, democracy, a value, is threatened by communism. One public, in the formation of its opinion, expresses a favorable attitude toward democracy by upholding all the many components of the value—freedom of speech, freedom of press, majority rule, and others. Another public also may favor democracy, but only by giving lip service to the value by repeating the phrase, "save democracy." The difference in the quality of these opinions is apparent. An understanding of the conditions necessary for an ideal public opinion makes possible a comparison and evaluation of existing public opinions throughout the world.

One of the conditions leading to the formation of an ideal public opinion is a common language, which enables the group members to communicate by using the same symbols in referring to the same reality. Lack of a common language has been one of the hindrances to the creation of opinions on world-wide issues in the present era of world interdependence. Even within a group having the same language, difficulties are often encountered in forming public opinion. For example, some words are not comprehended by all members, and other words differ in the meaning conveyed to the several members of the group. When language breaks down, common attitudes may not be formed and, therefore, common opinions not expressed.

Experience has indicated, however, that a common language alone is not enough to bring about an ideal public opinion. If communication is to achieve mutual understanding, the public involved must also have a mutual cultural knowledge. To illustrate, a Polish peasant could learn the English word for family and realize that the word described the mother-father-child group. But for him the

word also would suggest a rather stern patriarchal authority and a group working long hours together, with little time for play. A person living in the United States also would associate the same reality—the mother-father-child group—with the word family. But he would probably think of it as a democratic group, having a somewhat carefree atmosphere and associated more often in recreation than in labor. Although both the Pole and the American would have a symbol representing a similar reality, a threat to this value in society would result in discussion which could not be understood readily by either party. Thus, mutual cultural knowledge also is a condition in developing an ideal public opinion.

An ideal public opinion must be formed over a period of time sufficient to allow full discussion of the threat to the value. In a democracy, where public opinion is necessary to the functioning of government, the officials make every effort to ascertain the trend in public opinion before taking action. A sudden crisis, however, may eliminate the possibility of official action based upon slowly formed public opinion, and administrative officials may proceed on their own initiative. An authoritarian state has an advantage over a democracy in times of crises, as in war, because the authorities may act at their own discretion and are not delayed by waiting for the public to express itself. The time needed to disseminate information or to transmit opinions has been reduced by technological improvements, but time still is needed for thinking about and discussion of the various aspects of a situation that threatens a value. Actually, because of the complexity of society, even more time may be needed today than in the past. The exchange of facts and ideas among people who are concerned about a value, such as a free enterprise economy, in relation to what they may think is a threat to it, such as an excess profits tax, is an involved and lengthy process. The exact length of time required to discuss adequately a value-threatened situation cannot be stated—it varies according to the situation. And any limitation on discussion hinders the formation of an ideal public opinion.

Another condition necessary for the formation of an ideal public opinion is a public composed of intelligent and competently thinking people. Ideally, the public would be educated well enough to use logical thought processes in the discussion of the value and the threat to it. The members of an intelligent and competently thinking public would have such traits as tolerance for the views of others, critical thinking ability, and intellectual curiosity.



Finally, in an ideal situation the public would have available all the facts relating to the value and the imminent danger to it. The value and all terms used in the discussion would be defined clearly. Furthermore, all information would be valid, and the situation would be clearly described, with nothing omitted and nothing distorted. A public opinion involving all the conditions leading to the ideal is remote from actuality. All the facts relevant to a threatened value are seldom available in real situations, especially in wartime, when official censorship intervenes.

In summary, the formation of an ideal public opinion would depend upon the following conditions: (1) all members of the public possessing a common language and a common cultural knowledge; (2) *sufficient time for discussion*; (3) intelligent and competently thinking members of the group involved; and (4) the availability of all facts pertinent to the value and the threat to it. Although the ideal is remote from actuality, it may be used as a standard to judge the influence of communication media in the formation and manipulation of public opinion.

## COMMUNICATION MEDIA

### *Development of Mass Communication*

The growth of mass communication within the memory of the present generation has been so dramatic and influential that the media themselves need little description. The history of the agencies by which facts and opinions are disseminated is a story of outstanding cultural development. In primitive societies, the tom-tom, smoke signal, and runner were attempts to overcome the geographic limitations of the spoken word. Contemporary communication media include the radio, television, telegraph, telephone, postal system, newspaper, and motion picture.

Language, of course, was basic to the development of all communication media. With the invention of writing, direct—that is, face-to-face—communication was supplemented with indirect or secondhand communication. With printing, a much larger public for opinions became available. During the last two centuries, the nonhuman link in communication has grown increasingly more important. The technological inventions in indirect communication during the nineteenth century resulted in a major change in mass communication. As industrialism swung into full gear, steam power was fitted to the printing press, new paper-making processes were

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invented, stereotyping appeared, and the telegraph, telephone, and underseas cable were invented. Taken together, these changes meant that indirect communication was no longer limited to the better educated and wealthier members of a society.

Twentieth-century developments in mass communication have added enormously to indirect communication. The "talking" motion picture, radio, and television have injected a "personal" element that formerly was found only in direct communication. This element has given these communication media an appeal and influence that the printed word cannot match. The influence of the personal element in radio is illustrated by Franklin D. Roosevelt's fireside chats, by which he often won the support of the general public for administration policies. While the personal element in television and sound motion pictures has not been utilized fully, there are great possibilities for the future. In recent political campaigns, for example, the candidates have spent many hours before the television cameras, undoubtedly influencing the voters on election day. As technological innovations are added to indirect media and as they more nearly duplicate direct communication, the possibility of achieving an ideal public opinion becomes greater and greater.

### *Effects of Mass Communication*

From a broad social point of view, the effects of mass communication include such things as a higher standard of living, better health, and a well-informed people. Indirect communication media could not be discarded without causing the disintegration of contemporary complex societies. Although these general effects are evident and important, they are linked closely with other factors causing social change (such as education and democratic procedures), and are not entirely the result of communication. Yet some specific effects upon society do result from mass communication.

**CULTURAL DIFFUSION** The technological changes occurring in indirect communication have increased the speed, amount, and extent of cultural diffusion. Speed has become commonplace in the world today. In the mid-nineteenth century, about four weeks were required to cross the American continent; a hundred years later, air travel reduced the time to about six or seven hours. Furthermore, present-day communication makes it possible for a new idea or an opinion to circle the globe in less than a minute.

One illustration of the amount of cultural diffusion is the increase in magazine circulation. Before the second decade of the twentieth century, the publication of magazines was not an international business, and the diffusion of culture by means of periodicals was negligible. By the time of World War II, the German magazine *Signal* had a foreign circulation of seven million. Today *The Reader's Digest* has a total circulation of more than seventeen million, and it is published in Australian, British, Canadian, Danish, Finnish, French, German, Italian, Japanese, Korean, Norwegian, Portuguese, Spanish, and Swedish editions. The barriers of space and time have been overcome by advancing communication technology, and both material and nonmaterial culture now are spread throughout the world.

With an increasing spread of cultural elements both within any one society and among societies, people have available a world of experience. The radio, television, motion picture, and printed word provide both fiction and fact to give vicarious living an unprecedented importance in the lives of people. Men and women, young and old, troop to the movies for two hours of living the life of Robin Hood in Sherwood Forest. The six-year-old hunches beside the radio riding roughshod over the rustlers with Roy Rogers. The Shanghai shop girl becomes a tempestuous Southern belle of the Civil War period in the United States as she devours *Gone With the Wind* during her leisure time.

Vicarious experience may be said to meet certain needs of the people in modern society. First, it provides a form of mass recreation that would be impossible without the utilization of communication media. For example, the motion picture provides a pleasant trip up the Nile, the radio presents a comedy, and the magazine offers a mystery story—and people passively participate in these secondhand experiences for the sheer fun of doing so. Second, vicarious experience helps compensate for the impersonality that characterizes modern life. Feeling the lack of personal relationships and experiences, people rely upon indirect communication media for experience, adventure, and variety in their daily living. Third, vicarious experience enables people to escape from their troubles and worries for a time by living the lives of others in other worlds. Communication media are fundamental in meeting these needs. Without the motion picture, radio, television, and printed story, vicarious experience would be restricted to storytelling and to small groups.

The cultural diffusion resulting from communication media tends

to eliminate group differences. The relatively minor cultural differences existing in groups within any society may be removed entirely. For example, radio broadcasters throughout the United States have adopted a modified Midwestern accent, and the New England twang or Southern drawl now are heard rarely over the air waves. As communication and transportation penetrate the previously rather isolated regions of the United States, these groups tend to lose their particular characteristics and to blend with the cultural "norm."

Some people believe that the growing sameness throughout the country is a healthy trend because it aids education, makes advertising more effective, is convenient for travelers, and reduces social conflict. Other people find the trend unpleasant and even dangerous. This group contends that as people begin to talk alike and to surround themselves with identical cultural traits, they will also begin to think alike and that democracy will lose a vital element—diversity of opinion.

**SOCIAL CONFUSION** In recent decades, the enormous amount of material provided by communication media has had an effect on those persons caught in the deluge. In a sense, they have become indifferent to communicated material. In an attempt to offset this indifference, communication media have been expanded to attract the notice of the public. More telephones, better public-address systems, and radios in city busses have been some of the steps taken to add to the total of communicated material. Society in general has taken some steps to counteract this trend by educating people in the art of sorting and analyzing communicated material, so that attention may be centered upon that which is most useful and necessary. If this skill is not learned, the individual may spend so much time selecting and weighing the communicated material that he has no time left for *doing*, or he may ignore *all* communications, and act quite irrationally. In other words, people may become aware of an issue and even become informed about it, but because the time and energy spent in acquiring this knowledge have been so great, they may have little time and incentive left for carrying out actions designed to resolve the issue. Thus the amount of material communicated sometimes becomes a hazard to social functioning unless people have acquired a degree of competence in sifting and analyzing it.

**EXPANSION IN SIZE OF POWER STRUCTURES** The pyramidal form and make-up of the power structure were discussed in Chapter 13, Volume I. Mass communication has not changed the pyramidal shape of the structure but, because of the new media, the over-all extent of the power structure can be expanded. The ancient Greek and Roman empires were sizable political structures that functioned without the aid of efficient communication media. When national states became recognizable during the fifteenth century, they too lacked even the crudest form of mass communication media. Partly because of this lack, these earlier power structures could not maintain a detailed and flexible control system. They did not deal with large populations, however, as do present-day political power structures. In modern times, communication media have made possible the expansion of the power structure over large populations and geographical areas.

The democratic political power structure depends upon efficient communication media to a considerable extent. With increasing populations and geographical areas, direct democracy was replaced by indirect or representative democracy, and more efficient communication became necessary if representatives were to reflect the dictates of their constituencies. The public must have some means, also, by which it learns of decisions by the leaders. In a democracy as large as that of the United States, the entire power structure depends upon rapid and widespread communication.

Expansion has taken place in other areas also. Economic, religious, educational, and other fields of endeavor having power structures have expanded with the aid of improved communication media. For example, the Roman Catholic Church now has affiliations over a vastly greater area than during the Middle Ages. The important part that communication plays in business expansion is illustrated by the activities of the United Fruit Company. Its subsidiary, the Tropical Radio Telegraph Company, operates fifteen radio-telegraph circuits between Boston, Miami, New Orleans, and all the countries in the Caribbean region. Because no power structure can operate effectively in opposition to the opinion of a large public, the molding of public opinion has become an indispensable element of that structure.

**PUBLIC OPINION MANIPULATION** A fourth effect that mass communication has had upon society has been the development of the

art and practice of public-opinion manipulation. The manipulator, whether an individual public relations man or a group such as the Congress of Industrial Organizations or the National Association of Manufacturers, has communication media and a number of techniques with which to influence the public's thinking. Thus the degree and extent of pressure-group operations have increased proportionately with the increase in communication media. Any organization wishing to further its interests by influencing the opinions of other members of the society becomes a pressure group. During the nineteenth century, such pressure groups operated mainly on a local level. For example, the local schoolteachers got together to urge an increased tax rate for better schools, or the local businessmen united to propose better roads for farmers. The growth of the telephone, press, radio, and other communication agencies brought a corresponding growth in the size of pressure groups, until at present they exist on a nation-wide scale and employ professional propagandists to manipulate public opinion.

## TECHNIQUES OF PUBLIC OPINION MANIPULATION

### *Propaganda*

Because no general agreement has been reached in defining propaganda in concise and definite terms, an understanding of its meaning may be helped by presenting several definitions, each of them indicating the close connection that exists between the manipulation of public opinion and propaganda. Propaganda has been defined as the intentional propagation of ideas and beliefs; as an appeal to thought or emotion to influence the beliefs and actions of others to achieve a predetermined goal; as any attempt to bypass critical thought; and as any attempt to influence the choice of alternative values. The variation among these definitions is not as wide as might appear at first. All of them stress the idea of influencing either the individual or group through the use of words or word substitutes (pictures, graphs, exhibits, parades, music, and similar devices) to think or act in certain ways.

The definitions given indicate that propaganda is not new to the contemporary world. Glancing back through history, we may detect propaganda in some well-known works and events. For example, Martin Luther's ninety-five *Theses* was propaganda against established practices of the Catholic Church in medieval times; *The Fed-*



printed material, objecting to the tax exemptions given to co-operative corporations. The source of the bills—that is, the identification of the pressure group—was not printed upon them.

(2) What is the authority for the propaganda statement? Referring again to the facsimile bills, they bore the statement that co-operatives pay no State or national income taxes, but no authority was cited for the statement. To verify or invalidate any statement, the authority for it should be checked.

(3) For whom is the propaganda intended? Obviously, the fake dollar bills were not to be placed in the hands of members of co-operatives. Such persons could be assumed to be well aware of the pressure groups opposing them and of the tax situation in co-operatives. The bills were intended for distribution among all tax-paying citizens who were not members of co-operatives.

(4) What is the goal of the propaganda? The analyst of propaganda must determine what the propagandist is attempting to achieve. In the case of the dollar bills, one may see that the propagandist was attempting to shape a public opinion that would oppose an existing tax program for co-operatives.

### **Censorship**

The restraint placed upon the expression of ideas or facts is called censorship. Although censoring is an ancient practice, only in modern times, with the growth of nationalism and communication media, has it become of major importance to the public. The official restraints on the expression of ideas usually are classified under three headings: (1) obscenity laws, which restrain expression in matters of sex and lewdness; (2) libel and slander laws, which impose certain restraints on persons and business concerns; and (3) sedition laws, which restrain expression concerning government and public officials.

Much unofficial restraint on expression of ideas is exercised by the mores and folkways. Some organizations also influence public opinion sufficiently to exercise an unofficial control over ideas. For example, the Women's Christian Temperance Union may attempt to secure legislation for the suppression of liquor advertising. The Watch and Ward Society of Boston may bring what it alleges to be obscene literature to the attention of officials. Although such organizations have no official governmental backing of their activities, they sometimes alter or restrict communicated material.

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## PUBLIC OPINION MEASUREMENT

In recent years, a new practice has arisen—public opinion measurement by polls. Early attempts were made to evaluate what the public thought about an issue at the turn of the century when straw-vote elections were conducted, mostly by newspapers. Present evaluation techniques are different and more accurate. Scientific polling has developed rapidly, and Gallup reports, Roper surveys, or Hooper ratings are found in almost every newspaper.

The accuracy of opinion polls is reflected in their economic success. They are businesses and a part of the free-enterprise system. If they do not function adequately, they will not survive. Many people assume that the opinion polls are concerned mainly with Presidential elections, but in reality, most pollsters prefer not to conduct election polls. Actually, the bread and butter of pollsters come from working for other businesses. The information gathered in the opinion polls aids business enterprises in numerous ways. Examples of questions asked in this type of survey are: What is the worker's attitude toward his company? Will this story be a success as a movie? What flavor do you prefer in your toothpaste?

The theory of public polls is summed up in the statement that one does not have to drink the entire contents of the coffee pot to know how all the coffee will taste. The sampling technique is applied in estimating crop yields, in health surveys, in factory production, and in many other fields. The operation of the technique in the field of public opinion is more elaborate than is ordinarily believed. The following illustrates the procedure used in a poll on a public policy question.

1. Selecting the question
2. Selecting the universe (a "universe" is the total population under study)
3. Selecting the sample to represent the universe
4. Phrasing the question
5. Testing the question on a sample of the sample
6. Training the interviewers
7. Conducting interviews by the trained interviewers
8. Tabulating the interviewers' notes
9. Formulating conclusions and writing the report

Any one of these steps involves problems needing to be solved if the final results are to be accurate. For example, in step four, the

addition of one word in phrasing a question may change the answers to a question. In a test poll, for instance, the question "Do you think the United States should send food to starving people in Europe?" was answered with "Yes" by a much larger number of people than when the word "starving" was omitted from the question.

Opinion polling can be a useful technique in determining public opinion on many economic, political, and social issues, but on broad social issues there are so many aspects and variables that present polling techniques are unable to measure opinion adequately. By the use of public opinion polls, however, quite accurate communication may be established between leaders and followers. Issues about farm price supports, federal aid to education, racial segregation, or government regulation of business may be discussed in the light of what the people believe rather than in the darkness of myth. Claims to having the support of public opinion may be validated or refuted by reference to the factual returns of a public opinion poll. Though opinion sampling is increasing in effectiveness, opinion polls, of course, are not infallible and may be misused at times.

## COMMUNICATION MEDIA PROBLEMS AS RELATED TO PUBLIC OPINION

Three of the communication media in the United States—the newspaper, motion picture, and radio—are particularly influential in shaping public opinion. The newspaper always has been one of the major communication agencies in the United States. The motion picture and radio soon may be forced into a secondary position by television. The pattern of development of television, however, so closely parallels that of radio and the motion picture that the problems discussed may be assumed to apply to it.

### *The Newspaper*

In the early part of the twentieth century, many cities and towns had at least two daily newspapers. In 1950, 1,410 cities had daily newspapers; of these, 96 had competing daily papers (under more than one ownership), and of the remainder, each city had only one daily paper or, if more than one, all were under common control.<sup>3</sup> One of the conditions that has brought about this lack of competition has been the mounting costs of operation. For example, readers

<sup>3</sup> Alfred McClung Lee, *How to Understand Propaganda* (New York: Rinehart & Co., 1952), p. 241.

demand such expensive services as features by columnists of national repute, colored comics, and Sunday supplements. Also, advertisers have influenced concentration of control by preferring a single, large-circulation paper to several small ones. Since radio and television compete with newspapers for advertising, the large-circulation papers have an advantage in obtaining a representative share of the advertising income.

Under the circumstances of decreased newspaper competition, a question arises as to whether the conditions for an ideal public opinion are not more remote than formerly. With but one newspaper in the community, the possibility exists that only one point of view will be presented. Thus a public desiring information when a value is threatened may find that the single newspaper does not give as many facts as were available when competition prevailed.

Another aspect of the relationship between public opinion and the newspaper is the reduction in the number of sources of news and the standardization of these sources. As communication media were extended to the far corners of the world, each newspaper theoretically could have daily reports from faraway places. To maintain a reporter at every point of news, however, was a project far too costly for most papers. Therefore, news service organizations, such as the United Press, Associated Press, and International News Service, were established to provide information about newsworthy events. The news from a foreign or distant domestic area often is not reported by many different men representing many different newspapers but is sent by the reporters of one of the news services. When only two or three men report an event, the possibilities for a narrow presentation of the news are increased. The news sources for foreign affairs, especially, are restricted to the news service organizations, except for the large newspapers, such as the *New York Times* and the *Christian Science Monitor*, which can afford foreign correspondents. Each of the large news gathering organizations has its own codes of procedure, and the news may be molded to fit these standards. The public then may not have available all of the facts, or the news may be slanted.

Restriction of news sources and standardization of content are not the only pressures that reduce the possibilities of approaching an ideal public opinion. Daily newspapers are financed mainly by advertising. Indeed, income from circulation for the small daily paper may contribute less than one-third of the total costs. Without advertising revenue, such newspapers would be unable to con-

tinue in business. A newspaper that adopts an editorial policy unacceptable to its advertisers may lose those advertisers. Thus the interests and desires of a small group in the total population, the businessmen, may shape the main policies of this mass communication agency.

Newspaper publishers and organizations of professional newspapermen have been aware of the restrictions that present conditions in the newspaper field place upon achieving an ideal public opinion. They have devised codes, canons, and principles as guides for newspaper conduct and improvement. For example, in 1923 the American Society of Newspaper Editors compiled seven canons of journalism under the following titles: Responsibility; Freedom of the Press; Independence; Sincerity, Truthfulness, and Accuracy; Impartiality; Fair Play; and Decency.<sup>4</sup> The trade journal, *Editor and Publisher*, and the National Conference of Editorial Writers have sponsored programs of newspaper self-improvement. It is difficult to appraise the general effects of these efforts. For example, because newspapers are characteristically individualistic in action, the seven canons of journalism may be "Glittering Generalities" to be displayed by some newspapers, but may be conscientiously followed by others.

The Commission on Freedom of the Press<sup>5</sup> judged the self-improvement efforts of the press as inadequate and said: "The press must know that its faults and errors have ceased to be private vagaries and have become public dangers. Its inadequacies menace the balance of public opinion."<sup>6</sup> A leading authority in journalism, Frank Luther Mott, disagrees with this judgment, saying: "But sincere and informed critics must also agree, upon surveying the whole field of American news reporting and editing, that in the great majority of our newspapers there is full and reasonably 'objective' coverage of events and situations."<sup>7</sup>

Even though there is a difference of point of view about the effectiveness of the newspaper as a reliable communication medium, it should be noted that most American journalists agree on one

<sup>4</sup> American Society of Newspaper Editors, "Problems of Journalism," *Proceedings of the Second Annual Meeting*, April 25-26, 1924, pp. 10-12.

<sup>5</sup> A privately sponsored commission, under the chairmanship of Robert M. Hutchins, to study the freedom of the press. The members of the Commission were selected by Hutchins in 1943, and a report was published in 1947.

<sup>6</sup> The Commission on Freedom of the Press, *A Free and Responsible Press* (Chicago: Univ. of Chicago Press, 1947), p. 131.

<sup>7</sup> Frank Luther Mott, *The News in America* (Cambridge, Mass.: Harvard Univ. Press, 1952), p. 185.

fundamental point—communication media must not be placed under government control. Such control would be contrary to the traditions of democracy and free speech in the United States. Governmental control of communication media has often been a step in the establishment of an authoritarian state.

### *The Motion Picture*

The motion picture is more recent than the press, being only about a half-century old. In 1894, the first film was shown to the public, and sound films appeared for public use in 1926. As a communication medium which would aid in the attainment of an ideal public opinion, the motion picture has not assumed the important role predicted for it. As a disseminator of information, the motion picture is an ideal medium for hurdling the barrier of illiteracy. During the days when large numbers of illiterate immigrants entered the United States, motion pictures seemed destined to play an important educational role. The motion picture producers, however, did not proceed much beyond contemplation of the prospects, and with both immigration and illiteracy decreasing, their efforts largely have been to furnish entertainment. During and since World War II, the Armed Services stimulated the production of educational and propaganda films for their particular needs. The wide use and success of these films have been responsible in part for the greater demand and use of films for educational purposes. This communication medium, like the newspaper, has certain characteristics that may hinder the formation of an ideal public opinion.

First, the high costs of production and the mass audiences upon which movies depend for revenue have led to an increasingly standardized product. Little deviation from the boy-girl-villain or boy-horse-villain plot occurs. Such standardization is not greatly conducive to greater public insight into human affairs. Public opinion tends to follow a rather rigid (black and white) formula, although cultural change sometimes makes the formula obsolete. In presenting family life, crime, or religion, unless the movies adhere to an approach in which common-denominator values exist, the theme cannot be understood widely. To demonstrate that romance alone is not a sound basis for beginning family life, that punishment does not always deter criminals, or that religious dogma has been inconsistent would be to depart from such common denominators, with a resulting loss of customers.

Another characteristic of the movies is shared with the press—concentration of control. The Temporary National Economic Com-

mittee published a monograph in 1941 stating: "Integration in the motion picture industry is complete, from the inception of an idea for a picture through to the actual exhibition of the film. The importance of the integration of production, distribution, and exhibition lies in the accomplishment, not of more closely knit operation, but of virtual elimination of competition."<sup>8</sup> Quite obviously, the lack of competition multiplies the effects of standardization. As ideas and interpretations are restricted in source to a few people, the chance for an ideal public opinion based upon wide and varied material grows dimmer.

### Radio

The third of the major mass communication media is the radio, with its closely allied medium, television. The radio is the most recent of the three media under consideration. It has been in use less than a half-century, and television has come into general use only since World War II. For speedy, world-wide cultural diffusion, these two are unsurpassed. In the United States, approximately 95 per cent of the families own radios. Certain features of broadcasting in the United States have an important bearing on public opinion formation.

The costs of almost all radio programs are paid by advertisers. They are not even partly financed by subscribers or consumer purchases, as is the case with the newspaper and the movies. Thus, the major policies in the radio business reflect the opinions of a small group. This reflection of policy is not always apparent, of course, in regular radio entertainment programs, but it may become evident in the news broadcasts. As with the newspaper, news commentators are not likely to present and endorse opinions contradicting those of the advertisers. This standardization of information may retard the formation of an ideal public opinion.

Another feature of the radio which may influence opinion formation is the concentration of control in certain areas of broadcasting. Four radio networks dominate most of the evening broadcast time. Many cities have but one radio station, though in this case the listener can turn to a different source of information merely by twisting a dial. The interlocking of press and radio poses a greater threat to the dissemination of broad and varied information. By mid-twentieth century, about 65 per cent of the FM stations and 40 per cent of the AM stations were owned by or affiliated with daily or

<sup>8</sup> Temporary National Economic Committee, Monograph No. 43, *The Motion Picture Industry—A Pattern of Control* (1941), p. 13.



weekly newspapers.<sup>9</sup> The Commission on Freedom of the Press reported that in 1945 in a hundred small communities the only local radio station was owned by the only local newspaper.<sup>10</sup> Thus the policies of a small group may influence or control both communication media. The other side, the additional facts, or the undistorted picture may not reach the people to contribute to the formation of opinion.

It is well to note that certain conditions tend to lessen the ill effects of a narrowing control among communication media. Even when the local newspaper and radio are both owned by the same person or business enterprise, other sources of information usually are available—for example, other radio stations and news magazines. Although a small newspaper may have no local competition, it often has competition from distant cities. Such newspapers as the *St. Louis Post-Dispatch* and the *New York Times*, for instance, compete with newspapers hundreds of miles from their points of publication. For the large newspaper, however, the small town paper offers no corrective.

## SUMMARY

Techniques have been developed to carry out group control. Public opinion not only is one of these techniques but also is basic for the functioning of others, especially in a democratic society. Public opinion is the open expression of like attitudes by a total population or by groups within a total population toward a real or apparent threat to a group value. In the United States, there are formed numerous public opinions, which affect the functioning of society according to the size of the public and conviction of the persons involved.

Certain conditions facilitate the formation of an ideal public opinion. These conditions include a common language and common cultural knowledge, sufficient time for discussion, intelligent and competently thinking members of the group forming the opinion, and availability of all facts regarding the value and the threat to it. Although public opinion is not always formed under these conditions, a continuous effort to achieve them tends to improve the quality of the opinions expressed.

The development of mass communication media in the twentieth

<sup>9</sup> Alfred McClung Lee, *op. cit.*, p. 247.

<sup>10</sup> The Commission on Freedom of the Press, *op. cit.*, p. 43.

century has made it possible to inform the people quickly about current issues. Cultural diffusion resulting from the use of these media has aided in the development of a common cultural knowledge. In addition, the possibility of vicarious experiences has been greatly increased. Today, vicarious experience provides recreation for many people, helps compensate for the impersonality in some areas of modern living, and enables people to escape for a time from their troubles and worries.

The importance of public opinion in formulating social policies in the United States has led to the manipulation of public opinion—that is, the influencing of the group who form opinions regarding certain issues. Both propaganda and censorship are used as techniques of public opinion manipulation. Another indication of the recognized importance of public opinion in our society is the development of public opinion measurement by opinion polls. Although commonly thought of in connection with elections, opinion polls are used most often in business.

In contemporary society, people rely upon indirect communication to furnish information necessary to the formation of opinions. Concentration of control of communication media—particularly the newspaper, motion picture, and radio—sometimes hinders the unprejudiced presentation of facts relevant to a situation about which opinions are formed. This danger is in part offset by the multiplicity, variety, and wide geographic coverage of the various media of communication.

The threat of concentrated control within communication agencies is in reality a two-edged one, because if monopoly advances too far, government may assume management of the agencies for the protection of the public. Such action would be contrary to the traditions of democracy and free speech within this country. Governmental control of communication media usually has been a step in the establishment of an authoritarian state. The solution to the problem of concentrated control apparently lies within the agencies themselves. Self-regulation to maintain competition, with support by a watchful public and helpful government, is one path toward a more nearly ideal public opinion.

## QUESTIONS

1. The definition of public opinion contains three specific points. What are they?
2. What are the characteristics of an ideal public opinion?

3. How has the widespread use of indirect communication media influenced public opinion?
4. What have been the effects of mass communication on society?
5. How is vicarious experience related to communication media? What needs does vicarious experience satisfy?
6. Define and give an example of each of the seven devices used by propagandists. In addition to the identification of these devices, what questions must be asked about propaganda to understand its use and purpose?
7. Explain the difference between official and unofficial restraints on communication. Give examples of each.
8. How may public opinion be measured? How reliable are these measurements?
9. Point out the similarities and dissimilarities of the newspaper, radio, and movies as media of communication.
10. Why is concentration of control in communication media a matter of concern in a democracy? What factors may counteract concentration of control?

## DISCUSSION

1. Describe several "publics." Define the degree of importance of the value involved, the closeness of association of the members, and the length of time the public existed.
2. Why do people throughout the world have different opinions about the same international situation? How does this fact affect the functioning of an international organization such as the United Nations?
3. Do you think that the answers to public opinion polls in an authoritarian state would be valid? Useful? Give reasons for your answers.
4. If public opinion polls are to be relied upon to uphold the democratic process, should they be operated by the government? Give arguments both for and against governmental operation.
5. Before the United States was involved in World War II, the congressional mail indicated that 90 per cent of those writing were against a peacetime draft. Public opinion polls, however, indicated that a majority of the people were in favor of the draft. How do you account for this difference? Which do you think was the more accurate?
6. "Public opinion polls will cause us to be a bandwagon civilization." Defend or refute this statement.
7. What would be the advantages of having tax-supported radio broadcasting? The disadvantages? Would there be more or less uniformity in the type of programs, especially in the news broadcasts? Give reasons for your answer.

## TERMS

**Direct communication:** The exchange of ideas and information, using only human faculties.

**Indirect communication:** The exchange of ideas and information with the aid of some mechanical device.

**Medium (plural, media):** An instrument, agency, or way which is used in carrying out an action or purpose.

**Ninety-five Theses:** A series of written statements in which Martin Luther questioned some of the practices and beliefs of the Catholic Church and presented his views for changing and reforming these practices. The controversy over these statements led to the Protestant Revolt in the sixteenth century.

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## 5 AGENCIES FOR FORMULATING PUBLIC POLICY

Public policy consists of the objectives of government and the programs devised for achieving these objectives. In the present chapter, we shall discuss the means or agencies for determining what government should do. Not all of these agencies are entirely within the governmental organization. In the preceding chapter, for example, we described public opinion as a force in determining public policy. In the United States, the principal means for expressing public opinion are the press and other media of communication, pressure groups, political parties, popular election, and elected representative bodies of the government. Through these agencies, public policy is formulated. Mass communication was discussed in the preceding chapter and is not included as one of the agencies considered here. The media of mass communication, however, not only aid in the formulation of public opinion but also are used effectively in expressing the desires of the people to policy-making agencies.

### PRESSURE GROUPS

In the organization of society in the United States, groups have formed along special interest lines. Many of these groups become pressure groups to advance their own interests by influencing governmental agencies, political parties, and public opinion. As agencies that aid in formulating public policy, they have become an integral part of governmental processes. As was pointed out in Volume I, some of the organizations that are effective in formulating public policy are those representing business, agriculture, and labor. Examples of these organizations are, for business, the National Association of Manufacturers and United States Chamber of Commerce; for agriculture, the Grange, the Farmers' Union, and the American Farm Bureau Federation; and for labor, the American Federation

of Labor, the Congress of Industrial Organizations, and the Railway Brotherhoods. Professional groups—for example, the American Bar Association, the American Medical Association, and the National Education Association—also exert pressure to advance the interests of their members. Other organizations, such as the League of Women Voters, the Anti-Saloon League, the Society for the Prevention of Cruelty to Animals, and the Legion of Decency, though not interest groups in the sense that they are promoting the special interests of their members, influence public opinion and public policy on matters which they believe to be of benefit to society. In fact, nearly all areas of interest use their organized strength as pressure groups. Functioning as pressure groups, of course, is only one of the purposes of these interest groups and their representative organizations. In the present chapter, however, their function as pressure groups is the main consideration.

A large number of organizations are classified as pressure groups. The *Congressional Record* for July 14, 1950 (Daily Edition) listed those organizations that had registered as pressure groups at Washington, D.C., to that date. The listing required 176 pages; a page selected at random contained the names of nine organizations. Certainly not all of these are large and influential, but they apparently produce results that justify their existence to those supporting them. The financial outlay involved in maintaining the kind of pressure-group representation now existing is great. Although the total expenditures of these groups cannot be determined accurately, a recent congressional investigating committee describes lobbying (the practice of contacting government officials to influence either the passage or defeat of legislation or the administration of laws) as a "billion-dollar industry."<sup>1</sup> This estimate would be increased many times if it were to include the expenses of pressure-group representation in State and local governments.

### *Reasons for Growth*

Specialization probably is the major reason for the development of such a large number of pressure groups. The interdependence resulting from specialization causes clashes of interests and requires the constant adjustment of each specialized group to others.

Any kind of diversity—racial, religious, or geographical—also

<sup>1</sup> House Report No. 3138, *General Interim Report of the House Select Committee on Lobbying Activities* (House of Representatives, Eighty-first Congress, Second Session), p. 8

tends to promote interest groups that function as pressure groups.

The broadened scope of governmental activity is another reason for the growth of pressure groups. As the activities of government range over an increasing area of social relationships, the advantages available to special interest groups increase. Likewise, the effects of unfavorable policy become increasingly important to them. These groups seek, therefore, to obtain governmental favors and to obstruct policies that seem unfavorable to their interests. To accomplish their ends, pressure groups have developed certain techniques.

### *Techniques*

**PUBLIC RELATIONS** Pressure groups give much attention to the cultivation of a favorable public opinion. Public support for their policies is important to all interest groups, but only the larger, well-financed organizations can carry on a long-range program of "education." Year in and year out, the National Association of Manufacturers devotes large sums of money to strengthening the general public attitude favorable to free enterprise and the "American way of life." The American Farm Bureau Federation stresses community organizations as a means of strengthening the support of a widely scattered membership. At their community meetings, public issues are discussed, and at State Farm Bureau conventions, resolutions are drawn, debated, and passed, with accompanying publicity and popular participation. One of the objectives of this public-relations activity of interest groups is to strengthen their numerical basis of support. At the same time, the interest group aims to impress governmental policy-makers with the popularity of the policies for which it is working.

**PRESSURE UPON POLITICAL PARTIES** The interest group brings pressure upon both of the major political parties, usually maintaining that it is "non-partisan." The party, meanwhile, contends that it represents the "general welfare" and is above "narrow interests." In practice, the interest groups and political parties exchange favors to strengthen their respective positions. The meetings of the resolutions committees of the parties give members of interest groups opportunities to submit their arguments for the type of platform they believe the party should adopt. Thus party pronouncements on labor often reflect the views of labor organizations; on agriculture, those of farm organizations; and so forth. In the selection of candidates for office, the large pressure groups hold an effective veto over the nominations to important governmental offices, be-

cause the political party as a rule does not wish to offend any large or powerful group.

**PRESSURE UPON LEGISLATIVE BODIES** The most publicized work of pressure groups is that carried on in connection with legislative bodies. Legislation in both national and State governments gives definite form to public policy. Naturally, therefore, interest groups maintain a direct and constant contact with the legislative process. Legislators must be persuaded to take a favorable point of view toward the objectives of the interest group, whose representatives carry on intense activity during legislative sessions. In larger organizations, the work is divided among specialists. On the Washington staffs of these organizations are economists, statisticians, lawyers, and legislative experts. These staffs prepare legislation for introduction in Congress and contact members of Congress at carefully timed intervals. They also appear before Congressional committees with data and briefs, frequently more complete than any the committee members have. Furthermore, the staffs call upon the members of their organizations for a deluge of letters and telegrams directed to members of Congress when pertinent legislation is under consideration. Thus the lobby, as this spearhead of the pressure group is called, tries to win favorable legislative policy and fight off that which is unfavorable.

**PRESSURE UPON ADMINISTRATION** Legislative activity of pressure groups is no more important to their welfare than is administrative activity. Laws are put into effect by administrative agencies, whose rules and regulations determine how the laws shall be interpreted and enforced. A pressure group that has failed with the legislature frequently can prevail upon the administrator to see its point of view. Some administrators believe that co-operation with interest groups is essential, and representatives of these groups often are called into consultation about administrative procedures. The Secretary of Agriculture, for example, consults livestock associations about rules and permits for grazing in the national forests. State Highway Departments confer with the truckers' associations in the State about the interpretation of motor truck regulations, location and maintenance of highways, and sometimes even the allocation of revenue for construction and maintenance of highways. Administrative rules are fully as much the product of group interests as are legislative enactments.

The pressure group also attempts to influence executive appoint-



ments to governmental offices. At times, they have provided committees to advise on policies that the administrative department carries out.

### *Regulation of Lobbying*

As the activities of pressure groups have increased, observation seems to show that the more powerful of them almost dictate some governmental decisions. The press is inclined to publicize the more spectacular examples of their use of "influence," and many people believe that the pressure group is heedless of the general welfare. Efforts have been made from time to time, both in Congress and in State legislatures, to establish some control over the lobbying of pressure groups. Lobbying is not legally provided for, but its constitutional protection lies in the First Amendment, which guarantees, among other rights, "the right of petition"—that is, the right to make a formal request to any branch of the government.

Many State legislatures have passed laws to regulate lobbying. The usual form of regulation requires that any person receiving compensation for attempting to influence legislation must register—stating his name, that of his sponsor, the type of legislation supported, and the amount of compensation received as salary or otherwise. In some States, the lobbyist must file a sworn statement at the close of each legislative session, specifying all amounts of money received, the sources of the money received, all expenditures, and the nature of the expenditures.

The national government passed legislation of this type in 1946: the Regulation of Lobbying Act, which was a section of the Legislative Reorganization Act. Every person who receives compensation as a lobbyist is required to register with the Clerk of the House of Representatives and the Secretary of the Senate, stating by whom he is employed, his salary, in whose interest he appears, and the duration of his employment. Every three months he is required to file an itemized report of all money received to carry on his activities, the purposes for which it has been spent, the legislation which he has supported or opposed, and the names of any publications which he has had published. Organizations which engage in activities to influence the passage or defeat of legislation are required to report quarterly all contributions received for lobbying activities, stating the name and address of any contributor giving \$500 or more and the names of persons to whom any money has been paid and the amounts in each case. Penalties for violation of the Act are

\$5,000 fine or one year's imprisonment or both, and prohibition from engaging in lobbying for three years.

Neither national nor State legislation attempts or intends to prevent lobbyists from contacting public officials wherever and whenever they can. The intent of the legislation is to bring the lobbyist out "in the open" by requiring him to register.

### *The Representative Nature of Pressure Groups*

Ordinarily not all of those persons qualified for membership in the interest groups are in its organized membership. For example, less than one-third of the labor force are members of labor organizations. The NAM has only a small percentage of the small manufacturers of the United States in its membership; therefore, it represents the interests of large manufacturers more than those of small manufacturers. Some of the professions and semiprofessions, such as medicine, education, or beauty culture, may enroll practically all of their respective practitioners within their organizations. But in these cases, many of the members are inactive, and a few of the more aggressive members usually control the organizations. The conclusion cannot be drawn, therefore, that the organized interest groups represent the membership of the total interests for which they presume to speak. Nevertheless, the organized strength of each interest group is the effective means of promoting the interests of the group.

## POLITICAL PARTIES

At almost all points, the political party differs from the pressure group. Instead of being concerned with a narrow group interest, the party seeks the broadest possible expression of general interest in order to win elections. Furthermore, the party aims primarily at placing its candidates in major policy-making offices, where they will have a part in formulating the total public policy. In being a private organization, the party may seem to be like the pressure group. But actually the party comes closer to being a governmental institution than does the pressure group. For example, legislation about party organization has been more extensive than that about interest-group organization. Legislation has dealt with such matters as what makes a party, who may participate in certain party processes, and how these processes shall be carried on. The States, in establishing direct primary elections, have provided for financing

and administering the important party process of selecting candidates. Thus the political party stands midway between governmental and nongovernmental institutions, and it can make no claim to either "private" or "constitutional" rights, as the pressure group may.

## MAJOR AND MINOR POLITICAL PARTIES

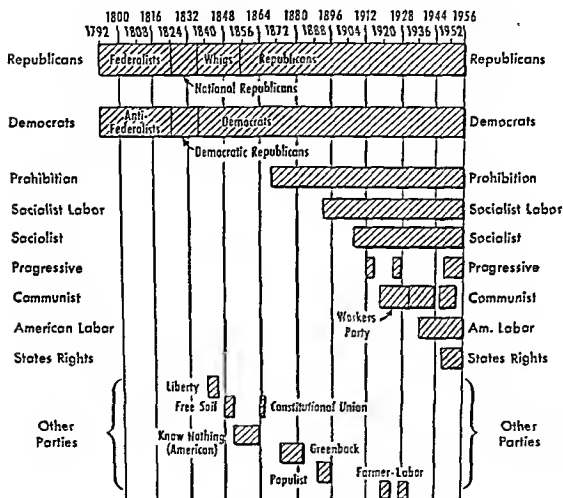


Figure 4

### The Two-party System

The most striking characteristic of the political party system in the United States is that throughout our country's history, political power has been held by one or the other of two major parties. The nation-wide election of the President by a clear majority of the electoral vote makes a multiparty system impractical. The practice of electing representatives from single-member districts also has

encouraged the use of the two-party system, because there are greater possibilities of winning elections if only two parties are competing.

When the total electorate of the United States is considered, the division of the voting population between the two parties is about even, but there is an uneven territorial distribution of party strength. In many areas, especially in the South, there exists what amounts to a "one-party system." The ten States of the Southeast seldom cast a majority vote for a governor or for a national official who is not a member of the Democratic Party. Again, in the States of North Dakota, South Dakota, Nebraska, and Kansas, preponderant Republican majorities are cast in most elections. Although this situation exists, the minority party in these areas still is represented in the national government, since each party always elects congressmen and governing officials in some other States. Therefore, both parties have some members in office at all times, and neither is without experienced and informed men.

The two major parties show a strong tendency to agree on national issues. Each of the major parties usually tries to avoid antagonizing any large segment of the population, and often does not take a definite stand on a controversial issue. Though this is generally true, on certain issues, especially those of political significance, the two major parties will take different stands; yet neither party is likely to go to such an extreme in its platform that members within the party or voters who consider themselves "independents" will be antagonized to the extent that they may vote for the candidates of the other party.

### *Minor Parties*

Although political power in the United States has been held consistently by one or the other of two major parties, lesser political parties have existed and advocated what neither of the major parties at the time would endorse. The minor party organizes as a group seeking political power, usually on the basis of some relatively narrow program. It stands midway between the pressure group and the major political party, with the narrow-policy basis of the pressure group but using some of the techniques of the political party. The Anti-Saloon League and the Prohibition Party illustrate the difference between a pressure group and a minor party. The Anti-Saloon League has not nominated candidates nor sought to win elections, but it has brought pressure on public offi-

cial of the major parties and has sought to deliver blocs of votes to friendly candidates. The Prohibition Party, on the other hand, has held nominating conventions, prepared platforms, and solicited funds for supporting campaigns of its nominees. For a time, it was even the supporter of a national policy.

Candidates of minor parties seldom receive a significant percentage of the national vote. Since 1900, the minor party vote has been more than six per cent of the total vote only in the national elections of 1912 and 1924. This trend seemingly indicates a diminishing attraction to third-party causes. The important function of minor parties is to take up issues that are worthwhile to a small number of people but are too new or too controversial to be endorsed, with political safety, by a major party. These issues are publicized by the minor party, and, if popular, are later accepted by one or both of the major parties. Examples of issues or programs advocated by minor parties, particularly the Populist Party in the late nineteenth century and the Socialist and Progressive Parties in the twentieth century, that were adopted by one or both of the major parties are regulation of railroads, graduated income tax, control of banking, work relief, unemployment insurance, old-age pensions, direct primaries for nominating candidates for public office, and popular election of Senators. The major parties usually are alert enough to prevent the development of a third party whose platform grows in popularity. Thus, the minor parties serve to test the popularity of new and nontraditional proposals that later may be endorsed by major parties.

### *Party Organization*

In order to carry out their functions, political parties must have a framework of organization, but the form of the organization varies from place to place. In some localities, the parties are organized strongly, in others loosely. In some places, a political machine controls many of the activities of the party. A political machine is a small, highly organized, closely knit group of persons who control the regular party organization in a city, county, or State. The political machine usually is dominated by a single person, the boss—a political leader who has such great political power that he controls the decisions of the organization and of the office holders of his party. The political boss is not granted his power by the people but seizes it; he has no legal authority to issue orders or grant favors and privileges; and he is in no way responsible to the people for

his actions. He maintains his control by granting privileges and favors—for example, franchises for city transportation, adjustment of tax assessments, contracts for buildings and supplies, and government jobs and aid to the poor—to the “right” people, who in turn support him. In some instances, political machines have promoted projects that have been considered worthwhile in the community—for example, constructing public buildings, lowering taxes, establishing parks and recreational programs, and cleaning the streets and alleys. Generally, however, political machines are associated with corruption in government and with projects that are of benefit to the inner circle of the machine rather than to the people.

When a political machine dominates the party in any locality, the actual party structure does not resemble the party organization provided by State laws and party rules. Some general features of party organization, however, exist almost everywhere and are common to both major parties.

**LOCAL ORGANIZATION** The basis upon which party organization is built is the precinct—a local voting district including usually from 100 to 1,000 voters. Each precinct has a party officer—the precinct committeeman—either elected by the party members living in the precinct in a general meeting or at a primary election, or chosen by the ward or district leader. The precinct committeeman is the main contact between the party organization and the voters. His responsibility is to carry the precinct for his party. He arranges meetings to explain the party's stand on political issues, introduces party candidates to the voters, and often performs favors, such as helping families in need, adjusting tax problems, or finding jobs for party workers, in order to win support for the party. In rural areas, the township usually is used as the precinct, with a township committeeman serving as the party leader.

In cities, a ward committee, usually chosen by precinct committeemen, co-ordinates the political activities of the precincts within the ward—an electoral district of two or more precincts. A city committee composed of ward committeemen unifies the work of the party organization within the city. Above the city organization and the township committee is the county committee. Its work is to co-ordinate the political activities of the city organizations and the township committees, especially in State and national elections.

In many States, district committees are organized above the

county level. The district chosen may be the State senatorial, judicial, or congressional district, the exact organization varying from State to State. The district committee co-ordinates the work of the county organizations with that of the State and national organizations. It is active during political campaigns, especially in arranging itineraries for candidates and planning political rallies. Many delegates to the national convention, which nominates the

### POLITICAL PARTY ORGANIZATION

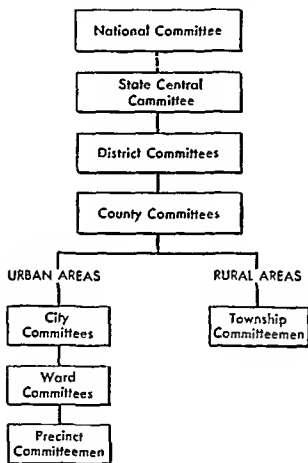


Figure 5

presidential candidate, are chosen on a district basis, and the district committee chairman usually has considerable influence with the State central committee in this selection.

**STATE ORGANIZATION** The State is actually the center of organized party power. In a few places, a city organization may compete with the State for power, but when this happens the city seeks to

take over control of the State organization, not to destroy it. The State organization is centralized in a State central committee, whose chairman either is an influential political leader or is supported by a powerful party man or group that remains in the background.

The work of the State party organization is diversified. As the State is an important unit for national elections, the State central committee is involved in national issues and elections. It is in charge of raising campaign funds and conducts the political campaign within the State. The State also has its own elections, of course, in which the State central committee is active. In addition, the State central committee must take care of the party organization within the State, mediating between county or district leaders and coordinating the many minor party machines within the State.

**NATIONAL ORGANIZATION** The national organization of the political party never has been as strong as that of the States. Actually, its principal function is to elect a President, so that it is most active just before and during the presidential campaign.

The national committee of each party is composed of one man and one woman from each State and territory. These members ordinarily are chosen by the State's delegation to the national presidential nominating convention or by party voters in each State. In 1952, the Republican national convention enlarged the party's national committee to include the chairman of the State central committee in the States that go Republican in a presidential election, or elect a Republican governor, or send a Republican majority to Congress. The effect of this change has been to give the States which are predominantly Republican more voting strength in the national committee than those in which the Republican Party is, for the most part, a minority party—for example, in the Southern States. Traditionally, the national committee has had the management of the national convention and the presidential campaign as its major functions. The national committee is headed by a chairman, usually selected by the presidential candidate after his nomination.

## POPULAR ELECTIONS

In the United States, popular elections are considered an important control over public policy, even though the control generally is an indirect one. The candidate for public office takes a stand



on issues of policy. Usually his position is determined to a considerable degree by what he thinks the voters desire. For example, if there is a strong feeling among the electorate against increased taxation, the candidate normally will campaign on a platform for economy in governmental expenditures and a decrease in taxes. The voters also express a preference for a certain kind of policy when they vote for candidates, particularly if the candidates have expressed their opinions on it. Furthermore, they often bring pressure to bear on elected officials to carry out the programs endorsed during the election campaign. The defeated political party or candidate watches closely the programs of the victorious party, and if it deviates from those promised in the campaign, attention is directed toward this situation through the press, radio, television, and public speeches.

In some States, provision is made for direct legislation, which gives the voters an opportunity to vote directly on policy questions. Initiative and referendum, discussed in Chapter 18, Volume I, are the two forms of direct legislation. As we have stated there, initiative is a means by which the voters can propose legislation and constitutional amendments, while referendum gives the voters an opportunity to approve or disapprove of laws enacted by the legislature.

The procedure for carrying out popular elections varies from State to State and even within States. Elections are administered locally, and the procedure in any local community is influenced by local custom, as well as by the legal requirements of the State. Certain procedures, however, are common, and we shall discuss them under the three main steps in popular elections—registration, nominating candidates, and electing officials.

### *Registration*

Registration is necessary in order to determine who is entitled to vote. In almost all States, only persons who are registered are permitted to vote on election day, although some States permit a nonregistered voter to vote, upon his sworn statement that he is qualified. Also, in many rural and small town election districts, personal registration is not required, the assumption being that the election officials are well enough acquainted with the people in the district to know who is entitled to vote. This type of registration is nonpersonal or official. For the most part, however, registration before elections is the responsibility of the voter himself.

The two types of personal registration used in the United States are periodic and permanent. In the States requiring periodic registration, every qualified voter who wishes to vote is required to register in person at stated intervals, usually every two or four years. If he does not register within the period specified by law, his name is removed from the voting list and he cannot vote in the next election. Registration usually is closed about one month before the election day. Having an accurate up-to-date list of eligible voters is the objective of this type of registration. This system is inconvenient for the voters, and many otherwise qualified voters lose their vote because they fail to reregister.

About two-thirds of the States have adopted permanent registration. In this type of registration, after the voter once registers, his name remains on the voting list unless he changes his address or, in some States, if he fails to vote in general elections. Registration officials responsible for keeping voting lists up-to-date make use of utilities records, moving van reports, tax lists, and death notices to determine the names that should be removed because of change of address or death. Sometimes personal calls are made or letters are sent to the registered voters. For example, in Illinois if a person has not voted in any election for four years, he is sent a letter asking if he lives at the address listed for him. The post office is asked not to forward the letter but to return it to the registration office if not deliverable. If the letter is returned, the voter's name is removed from the voting list.

When registration lists contain names of persons who have died or moved from the voting precinct, an unscrupulous political boss has an opportunity to have his followers vote under these names. Some State laws require that the signature of the voter be compared with his registration signature, thereby reducing illegal voting of this type.

### *Nominating Candidates*

The nomination of candidates for public office is a fundamental part of the activities of the political party; it is the first step in the process of gaining control of government in order to formulate public policy. The nominations for the presidency and vice-presidency of the United States are handled on a national basis, but the selection of all other candidates for political office is carried out at the State and local levels.

In the early history of the United States, the candidates for polit-

ical office usually were nominated by a caucus—a meeting of a small number of party members, ordinarily members of legislative bodies or party leaders. For example, at the local level the leading citizens met to nominate candidates for local offices, the members of a party in Congress met to decide upon presidential and vice-presidential nominees, and the party members of the State legislatures agreed upon the nominees for governor and the State's congressional members. The congressional and legislative caucus method of nominating candidates obviously violated the ideals of democratic procedure, since the selection of candidates was controlled by a few who stood to gain advantages if their nominees were elected. With the growth of cities, the caucus became impractical even in most local governments, since it was impossible for the interested citizens to assemble in one place. Today the caucus method is no longer used except in some villages, small towns, and townships for the nomination of candidates for local office.

Beginning in the 1830's, the party convention generally replaced the caucus system. In this method of selection, members of the political party choose representatives to attend a party convention—national, State, or local. Candidates' names are proposed from the floor and usually a majority vote by the delegates determines the nominees. A form of the caucus still continues, however, to meet in hotel and meeting rooms prior to and during the convention. In such meetings, attended by important party leaders and representatives of pressure groups, the persons to be nominated are often predetermined, and alliances and vote-trading are arranged. The possibilities for unscrupulous manipulation are by no means eliminated in the party-convention method of nominating candidates. Therefore, in the early part of the twentieth century, the States began to use the direct primary—that is, an election by the party members to select the candidates for public office. Today all of the States except one, Connecticut, use the direct primary for the selection of candidates for most State and local offices.

The nomination of the candidates for the President and Vice-President of the United States, however, continues to be made by a national convention. Delegates to the national convention are selected by the States and territories. Although the Republican and Democratic Parties differ somewhat in the method of determining the number of delegates from each State, the number in each party is based primarily on the number of United States Senators and Representatives, modified by party strength within each State. Both

Republican and Democratic Parties reward with additional delegates States they have carried in the preceding election. The Republican Party reduces the delegation from States that are overwhelmingly Democratic in the preceding election. In most States, the delegates to the national convention are selected by State party conventions, but in a few States they are selected by some type of presidential primary election. In the State party-convention method, precinct caucuses select delegates for county or district conventions, which name the delegates for the State convention. Since the precinct caucuses usually are attended by only a small number of party members, most of the party members have no part, even indirectly, in the selection of the delegates who nominate the candidates for President and Vice-President. At the national convention, nominations of candidates are made by the States in alphabetical order, and balloting is also by States, alphabetically. A majority vote is required for nomination in both the Republican and Democratic Parties.

The direct primary is a pre-election to decide which candidates will appear on the ballot in the general election. By some method, persons must be chosen to run in the primary. The procedure in most States is by petition. In this method, the person desiring to be nominated obtains the signatures of a certain percentage of the voters and files the petition with the election officials. In a few States, a person may obtain a place on the primary ballot by declaring his intention to become a candidate and by paying a filing fee.

The three types of primaries are the closed, open, and nonpartisan. Most of the States use some form of the closed primary. In this type, the voter declares his party affiliation and is given a ballot of that party at the primary election. In the open primary, the voter does not declare his party affiliation. He is given the ballots of all parties or, if he prefers, only the ballot of the party he requests. If he wants all of the ballots, he marks the one he desires, and it is placed in one ballot box. The unmarked ballots are put in another ballot box, to be destroyed after the election. The nonpartisan primary is used in towns and cities which hold nonpartisan general elections. The voter receives only one ballot, on which are listed the names, without party designation, of those persons seeking nomination. The two persons receiving the most votes for each office to be filled are placed on the ballot in the general election.

The petition method also is used for getting names on the ballot in the general election, as well as in the primary election. Today,

however, this method of nominating candidates for the general election is used mainly in cities, towns, and villages. Persons who wish to place their names on the general ballot file a petition having the names of a prescribed number of qualified voters, usually based upon the number of votes cast in the preceding general election. This system eliminates the expense of a primary election, but the large number of candidates makes it more difficult for the voters to vote intelligently.

### *Electing Officials*

**THE BALLOT** Until the mid-nineteenth century, much of the voting in the United States was done orally. A common practice was for candidates and voters to assemble at some central location and proceed with the election. Little imagination is needed to visualize the possibilities for corruption and coercion in this method of voting.

The next step in voting procedure, a step taken in part to offset the evils of oral voting and in part to provide for the increased number of voters, was the introduction of paper ballots. These ballots either were written out by the voter or were printed at the expense of the candidate or the party. The early printed paper ballots were the list type—that is, all candidates for the party were listed on the ballot and the voter had to cast his vote for the entire list. Since each party sometimes printed its ballots on paper of a particular color, the party for which a person voted could be detected easily. Furthermore, parties sometimes printed a ballot of the opposition party's color, listing their own candidates. Thus, a voter might think he was voting for the candidates of one party but actually vote for the opposition party. The use of this type of paper ballot did little to eliminate the corrupt practices of party machines or to assure the voter of a secret ballot.

In the late nineteenth century, the Australian ballot came into use in a number of States and today is used in some form by all States. The Australian ballot has four general features. First, the ballot is printed by the State at public expense. Second, the candidates of all parties and for all offices to be filled are on the same ballot. Third, this ballot is the only official ballot and is distributed only at the polls on election day. Fourth, the actual marking of the ballot by the voter occurs in secret in a voting booth, and the ballot of any particular voter cannot be identified. When received by the voter, the ballot has a number, which is clipped off by the election officials after the voter marks his ballot but before he places it in the ballot box.

There are two forms of the Australian ballot—the Indiana, or party-column ballot, and the Massachusetts, or office-group ballot. In the party-column ballot, the candidates of each party are arranged in columns, and the voter can cast his vote for the entire list of party candidates by marking an X in the circle or square at the top of the list. By so doing, the voter casts a straight party ticket. He may vote, however, for the candidates of different parties—a split party ticket—by marking an X in the square or circle before each nominee's name. The convenience and ease of voting for the entire party list, however, often encourages the voter to cast a straight party ticket. In the office-group ballot, the candidates for all parties are arranged in a group under the title of a particular office. The voter still has the opportunity to vote a straight party ticket but to do so must mark separately for each candidate of the party. Today, more States have the party-column than the office-group ballot, and it is favored by politicians because of the ease of voting a straight party ticket.

The most recent innovation in voting procedure is the voting machine. The voter still casts his vote in the secrecy of a voting booth but does so by pulling a lever above a card upon which is written the name of the candidate. A master lever on the machine may be used to vote a straight party ticket. Today, about three-fourths of the States have authorized the use of voting machines, and in New York, Rhode Island, and Connecticut, their use is mandatory. In the other States, their use is usually determined by the local governments which conduct the elections, though in many cities their use is mandatory by State law. One of the main objections to voting machines is the *initial cost of installation*. Some contend, too, that their use keeps some people away from the polls because they are dismayed by the mechanisms of the machine. On the other hand, voting usually can be done more rapidly; it takes less time to pull the levers than to unfold, mark, and refold the paper ballots. Furthermore, ballot spoilage by improper marking is eliminated, and, since the vote count is cumulative, hours otherwise spent in counting votes are saved.

**THE ELECTION** In most of the States, a general election is held in the fall of even-numbered years to fill the elective positions in county, State, and national governments. Although the national government has a short ballot, the States and counties usually elect many officials. When national, State, and local ballots are combined, the ballot becomes a long one. Some States avoid this difficulty in

part by holding State and local elections in odd-numbered years. This procedure not only shortens the ballot but also tends to separate the issues of local and State elections from national issues.

In 1872, Congress set the Tuesday after the first Monday in November of even-numbered years as election day for congressmen, and the same day every fourth year as the presidential election day. Maine is the only State that does not follow the national law as to time of elections. The law makes an exception of the States whose constitutions specify another day, and Maine, under a State constitutional provision, has set its election in September.

Voters do not vote directly for the President and Vice-President but for the political party's list of presidential electors in each State, who in turn cast the State's votes. Each State is entitled to as many presidential electors and votes as its combined number of Senators and members in the House of Representatives. The total group of presidential electors is called the electoral college. The entire electoral vote of the State is counted for the candidate of the party whose electors receive the most popular votes in the general election. In other words, although the losing candidate may get 48 per cent of the popular vote, his rival will get 100 per cent of the electoral vote, which is the vote that counts. The total number of electoral votes is 531 (total number of Senators and Representatives), and 266 votes are necessary to elect a candidate. Should no presidential or vice-presidential candidate receive the required vote, the members of the House of Representatives, voting by States (one vote to each State), would elect a President from the three candidates receiving the highest number of votes, and the members of the Senate, voting as individuals, would elect a Vice-President from the two candidates receiving the highest number of votes.

The use of the electoral college has been criticized, and its abolition has been proposed. Among suggestions for its replacement is one which would divide the electoral vote within a State on the basis of the popular vote. That is, a party receiving 40 per cent of the popular vote would receive 40 per cent of the electoral vote. This mathematical determination could be made without the use of an electoral college.

Although the national government may make provisions concerning the time and manner of holding elections of congressmen and therefore may control elections to some extent, the principal responsibility of providing for and conducting elections falls upon the States. Since local areas must be used for the convenience of

the voters, the State passes most of the actual work on to the county, city, ward, and precinct. Local officials, therefore, are key persons in the election procedure. The national government does keep certain controls. For example, it has passed regulations aimed at curbing corrupt practices, and it may intervene in cases where persons appear to have been deprived of equal protection of the laws as provided by the Constitution.

**REGULATION OF CAMPAIGNS AND ELECTIONS** Both the national and State governments have passed laws calculated to eliminate corrupt practices in political elections. The regulations of the States vary considerably. In general, however, such activities as buying votes, intimidating voters, treating voters with liquor, repeat voting, tampering with the ballot box, and offering jobs in return for support at the polls are forbidden. The States generally restrict the sources of campaign funds—for example, about three-fourths of the States prohibit corporations from contributing to such funds, and several States forbid contributions by labor unions—and limit the amount of money that candidates may spend in either primaries or elections. They also require the source of contributions and an itemized list of expenditures to be published. In some instances there is considerable laxness in enforcing the regulations, but in general many of the earlier corrupt practices have been eliminated from election procedures.

The national regulations, which apply only to campaigns and elections involving the President, Vice-President, and members of Congress, are similar to those of the States. One of the regulations covers sources of money. Not all persons and organizations are permitted to contribute to campaign funds. For example, it is unlawful for civil service employees of the national government to be solicited by officials or employees of the national government for contributions for political purposes, and corporations and labor unions cannot contribute directly to campaign funds used in national elections. Corporations chartered under national laws—for example, national banks—and public utility holding companies are forbidden to contribute to *any* campaign fund.

The second general regulation by national law covers the amounts of money that may be spent. The intent of this regulation is to lessen the advantage that candidates and parties with larger financial resources would have in political campaigns. Following earlier attempts to regulate expenditures, Congress in 1925 passed the



Corrupt Practices Act applying only to candidates for Congress. The expenditures of a candidate for the Senate are restricted to \$10,000 and those of a candidate for the House to either \$2,500 or any lower limit established by the candidate's State.<sup>2</sup> Any political committee operating in more than one State may not spend more than \$3 million in any calendar year. Any individual or association is forbidden to contribute or lend more than \$5,000 to any campaign fund for the election of any national governmental official.

Finally, certain national regulations require the publication of political expenditures. All candidates for the Congress must forward to the Secretary of the Senate or to the Clerk of the House an itemized statement of the amounts received and expended in their campaigns. All organizations receiving donations or spending money for political purposes must make periodic reports, under oath, of their financial conditions. Examples of such organizations participating in the presidential campaign of 1952 were the Americans for Democratic Action, the National Citizens for Eisenhower, and the Political Action Committee of the Congress of Industrial Organizations.

These detailed regulations governing campaigns and elections appear on the surface to be sufficient to eliminate most evils. In reality, however, the number of loopholes in these laws has caused them to impose little restraint upon those who have wanted to evade their provisions. The limitation of expenditure for House and Senate candidates means little if the candidate's friends can assume excessive costs for him. The law also specifically exempts certain items from limitation—for example, stationery, postage, and personal items (which can include almost anything). A major political party spends far more than its reported total, because organizations independent of the regular national committee also collect and spend. The regulatory legislation seems to be another example of statutory change that has occurred more rapidly than changes in the mores of the society.

## LEGISLATIVE BODIES

Legislatures are created primarily for determining public policy. One of their main services to modern government is to provide one

<sup>2</sup> But this law allows an alternative method of computing expenses, one which raises the maximum considerably. A candidate may figure his expenses on the basis of all the votes cast in the last general election for the office to which he aspires. The candidate is allowed up to three cents for each of these votes, with a maximum of \$25,000 for a Senatorial aspirant and \$5,000 for a House candidate.

of the connecting links between the people and administrative or executive departments of government. Pressure groups and political parties make a similar contribution in the same way, but the legislative branch of the government is able to carry this process further by shaping policy into law and in devising plans by which policy shall be carried out. Plans for carrying out policy include financial appropriations and provision for departments or other agencies of government.

In previous chapters, we have discussed the representative function of legislatures. In the present chapter, consideration is given to the procedure used in making and implementing public policy at the national level of government. The proposals of pressure groups and the platforms of political parties must be drawn up in the form of bills, studied, debated, and amended. The general outline of procedure followed in the legislatures of the States is similar to that of the national Congress.

### *Introduction of Legislative Proposals*

Bills may be introduced in either the House of Representatives or the Senate. All revenue bills, however, must originate in the House of Representatives, and resolutions for ratifying treaties or for confirming appointments are considered only in the Senate. The preparation of a bill for introduction is a matter of considerable work, involving research, drafting the appropriate legal form, and relating the material to existing laws. A member of Congress occasionally does much of this work himself, aided by the services of the Library of Congress and his own staff. More likely, however, the bill will be one desired by some branch of the administration or by some interest group. In that case, much of the research and drafting will have been done beforehand. The member of Congress who introduces the bill, however, acts as its sponsor and assumes some responsibility for its contents. Numerous legislative bills are proposed in any session of Congress, approximately 14,000 being introduced in the two sessions of an average Congress. About 7 per cent of these are enacted into law.

### *Committee System in Congress*

When a bill is introduced in either the House of Representatives or the Senate, it is given a number, printed, and referred to the appropriate committee. Much of the time of members of Congress is spent in meetings with committees, since the real work of both houses is done by committees. The Senate and House as a whole do

little more than approve, reject, or modify the work of their committees. The first and most important sifting of the legislation introduced takes place in the committee, and most bills are buried under the quantity of legislation. The bills getting priority in the committees are those that are important, or have powerful interest groups promoting them, or have strong backing from the administration. Ordinarily the committee holds hearings on the bill under consideration, at which times interested persons and groups appear before the committee to present their views. At these hearings, the legislative agents (lobbyists) of pressure groups make important contacts and appear before the committee to give information and opinions about the measure under consideration. After the hearings, which may last several weeks, the committee makes its decision about the measure. If the committee takes favorable action, it reports the bill to the House or Senate, sometimes in its original form but more often with revisions or amendments, with a recommendation that the bill be enacted into law. If the committee takes unfavorable action, the bill is killed in committee—that is, it is not reported to the House or Senate for consideration.

### *Consideration of Legislation by Congress*

When a bill is reported favorably from a committee to the House of Representatives, it is placed on the appropriate calendar—revenue bills on the "Union" calendar, nonrevenue public bills on the "House" calendar, and private bills on the "Private" calendar. The rule is that bills are considered in chronological order, but exceptions may be made. In this way, bills that are more important or have more powerful support are considered, while others may not be considered during the session. When a bill is brought before the House, it receives what is called the second reading. (The first reading consists of the printing and numbering of the bill at the time of its introduction.) The second reading is an oral reading of the bill by the Clerk of the House or an assistant. General debate accompanies the second reading, and amendments may be made. The debate is limited and regulated closely, with time assigned to the parties by agreement of the leaders. The bill, if it passes the second reading, is read a third time. The third reading is the printing of the bill in its amended form and voting on its final passage. At the third reading, no amendments can be made, and the bill is passed or defeated as it stands.

The procedure in the Senate, although similar to that of the

House in many respects, contains a few points of difference. Bills are read by title only at their first reading. The second reading is considered completed if there is no objection, and the bill is then referred to a committee. If reported out favorably, the bill is then placed on the Senate calendar, which is simpler and free from the elaborate special rules of the House. Debate on a bill in the Senate is unlimited unless a closure, or cloture, rule is passed—a rule that requires a two-thirds vote of the entire membership of the Senate to limit debate. Unlimited debate sometimes leads to a filibuster, in which one Senator or a small group may delay the vote upon a bill by making lengthy speeches or by other delaying tactics. The smaller size of the Senate allows procedure in debate to be less restrictive and freer from parliamentary complications than in the House.

Every bill must have the approval of both houses of Congress in its final form. Since bills ordinarily are amended in different ways by the two houses, adjustment of the differences between the two versions is necessary. This compromise is brought about by creating a conference committee, consisting of three or more members from each house. The report of the conference committee is taken back to each house, and it may be accepted, rejected, or sent back for further negotiation by either of both houses. If the report is accepted, the bill is enrolled (printed on parchment), signed, and sent to the President. Once enacted and signed by the President, legislative bills are laws. If the President vetoes the bill—that is, returns it with a message of disapproval—it may become a law if it is repassed by a two-thirds majority of both houses.

Thus, public policy gradually is developed out of the forms of public opinion through the media of interest groups, political parties, and legislatures to become crystallized into law.

## SUMMARY

Public policy consists of the objectives of government and of the programs devised for achieving these objectives. In the United States, the main agencies for formulating public policy are pressure groups, political parties, popular elections, and legislative bodies. Through these agencies, public opinion is crystallized into public policy.

A pressure group is an organization composed of the members with a special interest; it attempts to influence public opinion, po-

litical parties, and governmental agencies to formulate policy beneficial to the interests of its members. Because of the increased specialization in twentieth-century American society, pressure groups have increased greatly in number. Their influence on the formulation of public policy has led to some efforts to control their activities. At present, laws require lobbyists to register and to report their incomes and expenditures. This regulation, while it does not limit the activities of pressure groups, does bring them out in the open.

A political party is a group of people who have similar opinions about the kind of public policy that should be formulated by government. With much broader interests than a pressure group, a political party attempts to put its selected candidates into public office in order to have a part in forming the total public policy. Parties have a definite organization, beginning with a precinct committeeman, who has charge of a voting district consisting usually of from 100 to 1,000 voters. Above the precinct are various party committees—ward, city, district, State, and national. The State central committees are the centers of power of the political organization. In some places, political machines have formed outside of the regular organization to run party affairs. These machines usually are headed by a boss, who differs from the political leader in that he obtains power by seizure, not by being selected by the party members. In the United States, we have a two-party system, although in some places one or the other of the two major parties is so strong and well-organized that a one-party system virtually exists.

Registration is required in most areas of the United States to determine which persons are entitled to vote. Most States have adopted permanent rather than periodic registration because of the convenience to the voters. In permanent registration, a person's name remains on the voting list unless he changes his address or, in some States, fails to vote during a specified period of time in the general election.

The nomination of candidates for public office is the first step in a political party's attempt to gain control of government. The four principal ways in which candidates are nominated are by caucus, party convention, direct primary election, and petition. Today all but one of the States use either the open or closed direct primary for nomination of candidates for the principal State and local public offices. At the national level, the nomination of the President and Vice-President of the United States is by party convention. The caucus and petition methods are used in some local governments.

At present, all States use the Australian ballot—a secret ballot, printed or maintained (in the case of voting machines) at public expense, listing the names of all candidates. The ballot may be either a party-column or office-group type. In some urban areas, the mechanical voting machine is used in place of paper ballots, and New York, Connecticut, and Rhode Island have made its use mandatory. Although most of the elective public offices are filled by a direct vote of the people, the President and Vice-President are elected indirectly, by the electoral college.

The legislative bodies of national and State governments take the final step in formulating programs to carry out the policies of government. In the national government, much of the work of considering bills containing these programs is done by committees, though all legislative bills are considered on the floor by the members of both houses of Congress. In the House of Representatives, the large number of members (435) makes it necessary to limit debate on the bills presented. The Senate, however, has unlimited debate unless a closure rule is adopted by a two-thirds vote of the total membership (96) of the Senate. To become a law, a bill must be passed by both houses of Congress and signed by the President, or repassed by a two-thirds vote of both houses if the President vetoes the bill.

## QUESTIONS

1. Define public policy. What nongovernmental agencies help in formulating public policy? Do you think it is democratic or undemocratic for such agencies to act in this capacity? Give reasons for your answer.
2. Describe the techniques used by pressure groups to promote their programs. Do you think that lobbying should be regulated more strictly? Why or why not?
3. What are some reasons why the two-party system has developed in the United States? Under what circumstances can it be said that a "one-party system" exists in the United States?
4. Although third or minor parties have not been successful in electing a President or in controlling Congress, they have served a definite function in political processes. What is this function?
5. Describe political party organization in the United States briefly. At what level of organization does the center of political party strength exist?
6. What is the purpose of registration of voters? Which type of registration—periodic or permanent—do you think is the more effective?

Would it be practicable for all areas of the United States to use nonpersonal or official registration? Why or why not?

7. How is a citizen's effectiveness as a voter affected if he votes *only* in the general election?
8. Trace briefly the voting methods that have been used in the United States.
9. What are the particular features of the Australian ballot? Why do political party leaders tend to favor the party-column type of ballot?
10. What has the national government done to regulate campaigns and elections?
11. Describe the procedure by which Congress enacts bills into laws.

## DISCUSSION

1. It has been suggested that, since lobbies constitute an *unofficial* "Third House" of Congress, they should be made a branch of the legislature. In this way, economic interests could be given official recognition. Evaluate this suggestion.
2. Legal provisions exist for two-party organization from the precinct to the State committee. Why is there often a tendency for a "machine" organization to develop and function outside of the committees provided by law?
3. What do you think is the reason why the national organizations of political parties have not been as strong as the State organizations? What do you think would be the results if we had stronger national organizations of political parties?
4. A number of reasons can be given to explain why a person favors one political party to another. Try to find out the principal reasons why some of your friends have a preference for one of the parties. Think of the reasons in your own case. On the basis of your findings, does it seem that party allegiance is usually something that rests on a careful comparison of the merits of the two parties?
5. After the national conventions of 1952, it was proposed that Congress provide by law for a nation-wide primary election by means of which party nominations for the Presidency and Vice-Presidency would be made. Analyze this proposal as to details to be taken into account in order to make such a plan work. How would the parties be affected by such a change?

## TERMS

**Congressional Record:** A daily record of the speeches, debates, and parliamentary proceedings that take place on the floor of the House of

Representatives and the Senate. It also contains other material that members ask to have printed in the *Record*.

General election: An election in which the entire electorate may participate.

Party platform: The statement of principles, beliefs, and objectives of a political party.

Resolutions committee: A committee designated by a political party to draw up its platform.

Short ballot: A ballot on which are listed only a few elective offices. Therefore, only a few of the more important offices are filled by election; minor offices are filled by appointment.

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## 6 THE POSITIVE STATE

In the two preceding chapters, we have considered the basis and formulation of public policy. We noted that several agencies, non-governmental and governmental, influence public policy. The general determination of public policy is made, however, by the legislative branch of government. This policy, almost without exception, is in the form of laws and resolutions passed by legislatures.

Once public policy is determined, the next step is to put that policy into effect. At this step, the technique of administration is used, and administration of public policy is the work primarily of the executive branch of government. During the last fifty years, considerable change has occurred in the administrative functions of government, since government has been required to perform more and more services for the people. This development involves a change in the characteristics of the state as a social institution in that its activities and functions have been expanded extensively in order to meet the needs of society.

The present chapter discusses this change in the characteristics of the state, designating the type of state before the change as the negative state and the type of state today as the positive state.<sup>1</sup> In this chapter, also, we shall consider the functions of the positive state, with particular attention to the technique of public administration.

### GENERAL NATURE OF THE POSITIVE STATE

#### *Meaning and Characteristics of the Negative State*

In the United States, the negative state was the ideal of government from the time the Constitution went into effect in 1789 until

<sup>1</sup> J. A. Corry, *Elements of Democratic Government* (New York: Oxford Univ. Press, 1951), chap. 5.

the end of the nineteenth century. This concept was associated with the theory of *laissez faire*—a theory that government ought to be restricted, that it should be responsible for little beyond (1) protecting the country from external enemies; (2) maintaining peace and order; and (3) maintaining a few essential public works.

During this period, conditions and beliefs in society tended to support the negative state. In the first place, governmental action was limited by technological conditions. Until the second half of the nineteenth century, modern developments in transportation and communication had hardly begun, and the kind and amount of activity that could be undertaken by government was necessarily limited. The expansion across a continental area as large as the United States resulted in semi-isolation and made close governmental control impossible. Second, the dominant political thought of the eighteenth and nineteenth centuries favored individual liberty of action, with corresponding restrictions upon government. Third, the interests of the people were not as varied as they are in the twentieth century. Fewer demands were made upon the government for protection, aid, and favors. As was pointed out in the preceding chapter, until the American society became more complex and diverse, pressure groups were not extensively organized to push special interests and make demands upon government. Finally, an enormous increase in economic activity and tremendous material progress took place in the nineteenth century. These conditions were attributed in part to the lack of governmental regulation and intervention in economic and social affairs. Economic success seemed to confirm the validity of the theory of *laissez faire* and tended to limit governmental action in the general affairs of society, even though the physical limitations had lessened by the end of the nineteenth century.

Actually, of course, there were already exceptions to the general operation of *laissez faire*. The protective tariff, improvement of harbors and waterways, railroad subsidization, the public-school system, homesteads, and the regulation of interstate commerce, trusts, and monopolies are some of the exceptions that were made to the negative role of government before 1900.

### *Meaning and Characteristics of the Positive State*

**DEVELOPMENT OF THE POSITIVE STATE** During the twentieth century, government in the United States has been increasingly active in promoting what the policy-makers believe is desirable for the

well-being of society. Under the impact of depression, war, and the growing complexities of society, government not only has acquired new functions, new powers, and new responsibilities but has extended the use of those previously held. Many demands have been made upon government as a result of conditions that did not exist during the nineteenth century.

Furthermore, government is no longer restrained by physical limitations; technological advancement has made possible almost constant contact with all parts of the nation. At the same time, government has expanded its functions to place restraints upon what is considered to be harmful to the general welfare, such as the sale of impure foods and injurious drugs. Thus the concept of government has been transformed from a negative to a positive state—a state that engages directly and consciously in a wide range of social and economic activities.

The change from a negative to a positive state did not occur suddenly. The exceptions to *laissez faire*—protective tariff, improvement of harbors, and support of public schools—occurred early in national history, and after the Civil War there was a gradual extension of governmental activity into such areas as railroad subsidization and regulation of interstate commerce and monopolies. The movement gained momentum in the early part of the twentieth century, with a pronounced quickening of pace in the 1930's. Governmental promotion of a wide range of economic and social activities has occurred especially at the national level of government. Many of these activities are now in government. Others previously were responsibilities of either the State or local governments, but because of the growing complexities of society now are undertaken by the national government. State governments also have expanded their activities, some of them having been taken over from local governments as changes in society have made it less convenient for small units to continue with certain functions—for example, roads, welfare, and protective health measures.

**EVIDENCES OF EXPANSION OF GOVERNMENTAL FUNCTIONS** One indication of the expansion of governmental functions is the increase in government personnel. The number of people employed by the national government in 1900 was about 200,000. This number increased to about 600,000 during the next twenty years, and by the same amount from 1920 to 1940, passing the million mark in the latter year. Even in times of national emergency, the number of

State and local workers is decidedly greater—for instance, in 1952, the numbers were about 2,583,000 national and 4,521,000 State and local employees (including teachers).

The variety of types of work done by government employees illustrates further the expansion of the government into new activities. Practically every type of work done in private enterprise is also carried on by government. As long ago as 1926, more than 2,000 types of positions were described by the Personnel Classification Board for the national field service alone. These positions included every profession and practically every kind of specialization in professional and subprofessional work, as well as semiskilled and unskilled work.

The growth of expenditures at all levels of government is another indication of the increase in size of government. From 1900 to 1910, expenses of the national government were seldom more than half a billion dollars a year. The unusually high expenses of World War I were followed by a period of lower but steadily rising governmental expenses, so that by 1933 the cost of the national government had grown to \$4 billion a year. The upward trend caused by governmental activities undertaken to offset the economic depression resulted in expenditures of more than \$12 billion in the fiscal year 1941. This amount was dwarfed by the cost of waging war in the years from 1942 to 1945. During that period, annual appropriations skyrocketed to \$32 billion in the fiscal year 1942; \$78 billion in 1943; and \$100 billion in 1945. In 1950, the expenditures had diminished to somewhat less than \$45 billion, but in the following years, defense spending again caused marked increases.

The problems of national budget-making in postwar years very likely will prevent a return to prewar budgets in the immediate future. Many of the large items are either fixed costs, such as interest on the national debt, or involve relatively long-range commitments, such as expenditures for national defense and programs for veterans. Although needs for "war and defense expenditures" may be reduced in the future, in all probability other claims will be made upon the national treasury for an array of general services, including such matters as education, health, housing, flood control, conservation, and social security programs. Although no precise predictions can be made as to the size of governmental budgets in the future, a reasonable conjecture is that the services of the government of the United States will absorb from 20 to 30 per cent of the national income even in "normal" times.

Increasing expenditures at the national level will not necessarily be "balanced" by decreasing costs of State and local governments. In times of national emergency, such as war or economic depression, the activities and hence the costs of national government far exceed the costs of State and local governments. But there is a steady trend toward greater services and costs at all levels of government. Total cost of State government, for example, increased from \$2.5 billion in 1930 to \$13.1 billion in 1950. The cost of ever-increasing government services may be illustrated by the expenditures of New York and California: each of these States now spends more annually than was spent by the national government in any year between 1900 and 1914.

## BIG GOVERNMENT

As was stated above, the administration of public policy is the function of the executive branch of government. The development of the positive state on the national level has resulted not only in an increase in the activities of government but also in a corresponding expansion of the machinery of government to carry on those activities. Thus, the executive department has grown enormously during the last few decades; today, it is larger than any of the largest corporations and employs more people than any other employing unit. Therefore, it is appropriately referred to as "Big Government."

### *Character of Administration at the National Level*

The need is quite evident for certain principles of administration to be applied if public administration is to carry on its work efficiently. Administration at the national level of government, however, leaves something to be desired. Indeed, the executive department of the United States government has been criticized as one violating most of the principles of good administration.

As a result of haphazard and rapid growth, the administrative system of the national government is a chaos of bureaus and offices in which there is no clear line of command from top to bottom and of responsibility from bottom to top, which is one of the principles of administration. Instead, the lines of command and responsibility are often confused and frequently short-circuited. For example, though the Army Corps of Engineers is in the Department of Defense, it selects and approves river development projects independ-

ently of the Secretary of Defense. The "independent agencies," described below, are outside the regular departments of the executive branch and removed from direct supervision and control of the President. Congress, in establishing each of these agencies, provides for general policy only and leaves detail procedures for carrying it into effect to be worked out by the agency itself. The agency is therefore a semilegislative agency, as well as an executive agency.

A second principle of administration is that of having adequate staff assistance. That is, administrators should be provided with facts and information and be given other necessary services to enable them to perform their duties adequately and efficiently. The national government has been criticized as violating this principle.

A third principle which critics contend has been violated by the national government is that of having competent personnel to perform the services for which the government is responsible. Little effort has been made to attract and train competent public administrators. At the same time, opportunities in administrative work in private business have been attractive to talented and well-trained persons. It would not be reasonable to expect that all administrators in government (or any other field, for that matter) should be capable, but better administrators could probably be obtained if the government would provide more attractive administrative policies, including salary schedules, promotion, and tenure.

In an effort to improve the general administration of the national government, Congress established in 1947 the Commission on Reorganization of the Executive Branch of the Government (Hoover Commission), headed by former President Herbert Hoover.<sup>2</sup> The principal function of the Commission was to investigate the executive department and make recommendations to "promote economy, efficiency, and improved service in the transaction of public business." During the eighteen months of the Commission's activity, it made eighteen reports to Congress recommending a comprehensive plan for reorganization of the executive department. In regard to general administration, the Commission agreed unanimously on the following recommendations: Every department and agency head should have more staff assistance and more executive freedom; de-

<sup>2</sup> A second Hoover Commission was created by act of Congress, July 10, 1953, to continue the study of the reorganization of the executive department. This Commission differs from the first Hoover Commission in that it has been empowered to raise policy questions, such as whether an activity of the national government should be continued or discontinued regardless of the efficiency with which that activity is being administered.

partments and agencies in general should have more authority to hire and discharge their own personnel, keep their own accounts, and buy their own specialized supplies; and each department and agency should have a management research staff constantly seeking new ways to increase its economy and efficiency.

### *The Executive Office of the President*

The growth of governmental activities has resulted in the creation of many agencies in the executive branch of the national government to assist the President in supervising and directing the numerous functions of his office. The large number of administra-

## EXECUTIVE OFFICE OF THE PRESIDENT

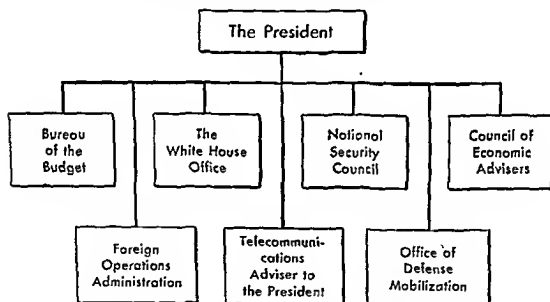


Figure 6. *Executive office of the President as of 1954*

tive agencies has placed the President under "the crushing burden of bringing all the units of the executive branch into harmony, and of fitting them together so that a unified program may be carried out."<sup>3</sup> Something of the "crushing" nature of this burden is indicated by the fact that in 1950 some seventy-five departments and agencies reported directly to the President.

Most of the agencies created to assist the President with the ad-

<sup>3</sup> Commission on Organization of the Executive Branch of the Government, *General Management of the Executive Branch* (Washington, D.C.: Government Printing Office, 1949), p. 11.

ministrative load now are constituted in the Executive Office of the President, established under authority of the Reorganization Act of 1939. At present, these agencies are the White House Office, the Bureau of the Budget, the Council of Economic Advisers, the Telecommunications Adviser to the President, the National Security Council, the Foreign Operations Administration, and the Office of Defense Mobilization. Some reorganization of the Executive Office has taken place since it was established. For example, the Council of Economic Advisers was placed in the Executive Office in 1946 by act of Congress. The President also may transfer agencies to and from the Executive Office by executive order. In this way, the National Security Council was transferred to the Executive Office in 1949, although it had been established in 1947 by act of Congress as an independent agency. In a period of rapidly changing conditions, such as have faced the nation since the establishment of the Executive Office, other changes may be expected.

Three agencies within the Executive Office of the President—the Council of Economic Advisers, the National Security Council, and the Office of Defense Mobilization—were commented on in Chapter 3, on planning. The planning function is performed by all agencies in the Executive Office of the President, but those selected in Chapter 3 are particularly illustrative of governmental planning. As was emphasized previously, any administrative procedure requires some degree of planning.

The remaining agencies in the Executive Office of the President and their principal functions are listed below:

- (1) The White House Office. This agency is made up of secretaries, administrative assistants, and aides to assist the President in numerous activities connected with the presidency. Among the duties of this office are the following: to facilitate and maintain communication with other branches and agencies of the government and the general public, to handle official documents and correspondence, and to supervise the clerical services of the President's office.
- (2) The Bureau of the Budget. This agency assists the President in the preparation of the annual budget, analyzes work programs of the various agencies of the executive department, promotes administrative co-ordination, and serves as an agency for clearance of legislative matters of vital importance to the President.
- (3) Foreign Operations Administration. This agency supervises the military, economic, and technical assistance programs of the United



States in its aid to other countries as part of the program to assure that the free nations of the world will build their defense strength as quickly as possible on the basis of "continuous and effective self-help and mutual aid."

(4) Telecommunications Adviser to the President. This agency assists and advises the President in the formulation of telecommunications policies, in the co-ordination of planning for programs designed to obtain national advantage from United States telecommunications efforts, in assigning radio frequencies to governmental agencies, and in other telecommunications functions that the President may designate.

### *The Departments of the Executive Branch of Government*

Although each of the departments constituting the cabinet in the national government has had its own distinct evolution, all the departments have certain features in common. The heads of the departments, with the exception of the Attorney General and the Postmaster General, are known as Secretaries. In general, their duty is to carry out the policies of the victorious political party. Many factors enter into the President's selection of department heads, among them party loyalty, campaign contributions, sectional or geographic importance in politics, administrative ability, and agreement with the President on important questions. Any of these factors may be disregarded in a given appointment, but never all of them. Because of the reasons for their appointment, department heads, as a rule, are short-term political appointees. Their success is measured by their ability to carry out party policies within their respective departments without impairing the efficient performance of the department or interfering with the continuity of the permanent administrative machinery.

The problem of organization of the department is second in importance only to the recruitment of well-qualified personnel. Four alternative bases for organization may be used—(1) function, (2) work-processes, (3) clientele, and (4) territory. Organization according to function appears most reasonable, but complications appear. A well-known example is the case of multiple-purpose reclamation projects. The Army Corps of Engineers (Department of Defense) traditionally has had charge of flood control; the Reclamation Bureau (Department of Interior), of irrigation projects; and the Department of Agriculture, of soil conservation. In any multiple-purpose planning for river valley development, these agencies are likely to overlap and duplicate one another in many re-

spects. In foreign relations, duplication of function occurs among the Departments of State, Commerce, and Agriculture. Division of work on the basis of work-processes and on the basis of clientele is found in specialized bureaus of most of the departments. Departmental field services often are divided into geographical areas for purposes of management.

No single basis exists for the division of the administrative work of the government. Consequently, compartmentalization of the work of each department into exclusive functions is impossible. Often several departments are at work on the same or closely related projects. The increasing complexity of social and economic developments brings up problems which cut across departments and require, for their solution, the combined efforts of several administrative agencies.

### *Expansion of the Executive Branch of Government*

**DISCRETIONARY POWER** The special function of the executive branch of government is to put laws into effect. Frequently, however, laws are stated in broad, general terms, which do not determine all, or even most, of the day-to-day decisions made by administrative officials in carrying out the terms of the law. In the process of putting laws into operation, administrators choose among alternative lines of action. That is, they use discretionary power—the power of free individual judgment within the limits of the law. Both in its newer and in its expanded older functions, government has found a large measure of administrative discretion necessary. At present, the tendency is toward widening this power. One of the reasons is that the activities connected with carrying out public policy require considerable specialized skill and knowledge which the members of the legislative branch of government often do not have. Another reason for widening the discretionary power of administrators is the rapidly changing and highly interdependent nature of society. Constant adjustment to changing conditions and adaptation to unusual circumstances are required. Adjustment and adaptation are not always possible by the slower-moving processes of a legislature.

A government with limited activities could maintain a semblance of equality and balance among the legislative, executive, and judicial branches in the distribution of work. A government actively intervening in social processes, however, must function efficiently largely through executive agencies. This process may be illustrated

by two typical cases. Until the second decade of the twentieth century, the fixing of tariffs in the United States was entirely a legislative function. The practical impossibility of having Congress legislate the specific rates on thousands of different articles led to delegation of more and more of this function to the executive branch. With the increasing complexity of economic life, the fixing of tariff rates required a great deal of technical knowledge. In 1916, therefore, Congress granted the President power to appoint a Tariff Commission to study and report the facts necessary for tariff making, and in 1922 the Commission was given power to recommend tariff schedules. In 1930, the President, acting on the Tariff Commission's recommendations, was empowered to shift rates upward or downward within a range of 50 per cent either way, independently of Congress. Furthermore, the reciprocal tariff principle, first passed by Congress in 1934, gave still more discretionary power to the executive, permitting the President to enter into trade agreements with foreign countries. Thus, what was once a matter cared for by legislative lawmaking, executive enforcement, and judicial interpretation has become more and more an administrative responsibility.

The legislative measures for agriculture that were debated in the Eighty-first Congress (1949) also illustrate the extent to which authority must be delegated to the executive department. The controversy over agricultural legislation did not concern the desirability of a general agricultural law nor the question of whether or not the Secretary of Agriculture should have extensive discretionary powers. These things were accepted as inevitable by both the majority and minority parties in Congress. The final law gave the Secretary vast powers over agricultural production, marketing, and support of prices. The administration of the law required a large departmental personnel, extensive research, and subsequent administrative activity on the part of the Department.

**PUBLIC INTEREST** Closely related to the delegation of discretionary power to executive officials as an aspect of the expansion of the administrative function is the development of public interest in governmental affairs. Each new proposal for the government to take positive action in some economic or social program causes pressure to be brought to bear either for or against the proposal. As was pointed out in the preceding chapter, pressure groups direct attention to the administrative branch of government as well as to

the legislative branch. Thus, a chief responsibility of the administrative official is to reconcile the interests of the pressure groups and to curb their selfishness.

Not only are pressure groups motivated by increased governmental activity, but the general public also becomes interested. Of course, the extent of increased public interest may be limited and unequally divided among the levels of government. For example, a study<sup>4</sup> made by the Committee for Human Development at the University of Chicago in 1947 reveals an attitude of indifference toward local government. This study was of a century-old Midwestern town of 6,000 population, not part of a metropolitan area, and composed largely of native-born citizens. Two groups of young people were questioned, one group of fifty born in 1926 and another group of about seventy high school seniors. These groups looked upon local government as a slightly ridiculous matter. Of the fifty born in 1926 and thus reaching voting age, only two had had responsibilities in any civic organizations. The opinion was voiced frequently that the "big guns could be bought." The leading politician of the town saw no need for interesting young people in political activity. His party had controlled the town for fifty years. The local paper made no critical appraisal of local management of public affairs. Clearly, in this kind of situation government seems unrelated to the problems of the people.

This situation may be contrasted with scattered instances of vigorous interest where an economic or social interest was felt in the outcome of a governmental decision. Steady increase of interest in the national government accompanied several policies of the New Deal in economic and social affairs as a result of the "vigorous activity of the Roosevelt administration."<sup>5</sup> For example, farmers of the nation showed widespread interest in their response to referendums on soil conservation and marketing quotas.

**NEW GOVERNMENTAL FORMS** In the expansion of the activities of the executive department, the traditional departmental organization was found to be satisfactory for governmental routine operations but not for some of the new administrative functions of the positive state. For purposes of regulation, the national government, since the establishment of the Interstate Commerce Commission in

<sup>4</sup> Emma Beekmann, "How a Midwestern Community Prepares Young People for Citizenship," *Social Education*, XI (May, 1947), pp. 197-201.

<sup>5</sup> Leonard Doob, *The Plans of Men* (New Haven, Conn.: Yale Univ. Press, 1940), p. 83.

1887, has made extensive use of the *commission*. The Federal Trade Commission, the Federal Power Commission, and the Federal Communications Commission are other examples of the commission form. The commission is used to advantage in situations where legislation has placed certain private economic activities under governmental regulation. The various commissions which function at present not only make policies but also put policies into effect and investigate charges. They are governing agencies having executive, legislative, and judicial powers.

Another device of the positive state is the *public* or *government corporation*. The organizational features of this form were copied from private business. When the government is carrying on business, the corporate organization provides the same flexibility and centralization that have been of value in private industry. About one hundred government corporations are in operation: some of the better known are the Export-Import Bank, the Federal Savings and Loan Corporation, the Federal Deposit Insurance Corporation, and the Tennessee Valley Authority.

A third device to meet the needs of the positive state is the *co-operative administrative agency*. Where a problem involves more than one unit of government, joint boards may be set up for supervision or to act in an advisory capacity. The Interstate Committee for the Delaware River is such an agency. The Missouri Valley Interagency Committee, composed of representatives of the federal agencies concerned and the governors of the Missouri Valley States, is another.

The *advisory committee* is a fourth type of agency that has been used to carry out the increased activities of the government. The purpose of this type of agency is to link the special interest concerned with an administrative program planned by the national government. The committee may give practical advice to the administrators and also strengthen the confidence of the public in the governmental program. It also may submit a report that can be used as a test of public sentiment as to how far the administration may safely go: the reports of the President's Committee on Civil Rights, the President's Commission on Higher Education, and the United States Advisory Commission on Information are illustrations. The personnel of the committees may be outstanding private citizens, representatives of pressure groups, or experts in the area under consideration. The advisory committee is playing an important part in giving guidance and political strength to the government.

## ADMINISTRATIVE RESPONSIBILITY IN POLICY-MAKING

The expansion of the administrative function in the positive state has brought about a *change in the relations between Congress and the executive department*. We have noted above that the main function of the executive branch is to put into effect the laws passed by Congress and that broad discretionary power is exercised by administrative officials in fulfilling this function. Major laws, particularly legislation requiring immediate decision, usually are written by Congress in general terms. By the nature of its deliberate processes, Congress cannot give the attention required in making immediate and detailed decisions. Therefore, administrative agencies fill in the gaps, use discretion about enforcement of laws, and inform Congress of the need for certain types of legislation. Policy-making thus is a co-operative function shared by the legislative and executive branches of government.

Since in the positive state the executive branch also functions in policy-making, Congress should not be held solely responsible for the formulation of public policy. Of course, major policies must have the endorsement of Congress, and hence it is not absolved from its share of responsibility. The co-operative nature of policy-making has modified the principle of separation of governmental powers, and this change has resulted in joint responsibility of Congress and the executive for total governmental policy. This situation raises the question of how to define administrative responsibility. Administrative agencies are no longer merely governmental mechanisms to carry out the instructions of the legislature. They are manned by people who have interests, information, and power and therefore are influential in determining what should be done by government. In a technological age, also, transference of power to trained and specialized experts is inevitable. Holding public officials responsible for their official acts is a problem that faces democratic procedure in the positive state.

## THE CIVIL SERVICE

Those persons who are employed in the executive, legislative, and judicial branches of government are public employees. The steady growth of the activities of government has increased the number of public employees in all types of government work, so that now

about one of every ten gainfully employed persons is in the employ of some unit or agency of the national, State, or local governments. The number of employees in the legislative and judicial branches, however, is small compared with the number in the executive branch. For example, in the national government the number of employees in the legislative and judicial branches is less than one per cent of the number in the executive branch.

The term *civil service*<sup>6</sup> is used to include the services furnished to government by the employees in the executive branch to distinguish them from government employees furnishing services of a military, legislative, or judicial nature. The effect upon society of a large civil service is considerable—that is, the conditions of civil service workers' employment and their relations with society in general have a far-reaching influence.

### *The Civil Service Worker in Society*

The position of the civil service worker in the United States has not been marked by the high respect accorded such positions in some other countries. Indeed, in the past the person who supported himself by work paid for from a public treasury frequently was looked upon as having made an unfortunate choice of occupation or as being somewhat inferior to those who entered private businesses or professions. Although this point of view has changed somewhat, considerable public disesteem toward civil service still exists for several reasons.

First, the tradition of private enterprise is strong, and public employment is regarded with some doubt. Second, a generally unfavorable attitude toward "bureaucracy" is inevitably directed toward civil service workers, because their acts affect directly or indirectly almost every person in the United States. Third, the costs of government are large, and included in these costs are the salaries of government employees. To the average citizen, the total employment costs of government appear to be extremely high. Fourth, a general impression has prevailed that a civil service employee, once appointed to office, retains his position for life, regardless of how he performs. (This, of course, is not true; any government employee may be removed for cause, the same as employees in private em-

<sup>6</sup> In common usage "civil service" is used incorrectly to indicate the services furnished by government employees who are under the merit system—that is, in the classified service. Strictly speaking, and as used in this chapter, the *civil service* includes the services furnished by all government employees in the executive branch.

ployment.) Fifth, there are some features of civil service employment that contribute to the public disesteem for the service. The salary is unattractive, particularly in the higher positions, and promotion policies have tended to discourage ambitious persons from entering the service. The civil service is considered the people's service and therefore everybody's business. Consequently, the civil service worker is constantly exposed to the criticisms and "suggestions" of the public and even, at times, to personal hostility. For these reasons, civil service is considered undesirable employment by many people and to be only for those who cannot find employment elsewhere.

Although the status of the civil service worker in society is considered unfavorable by many people, a change of attitude has developed during the last two or three decades. The increase in the number of persons required for government work has contributed to this change. With one-tenth of the working force of the nation engaged in public service, these workers and their dependents constitute a large segment of the population. Prestige was given to public employment, particularly at the national level of government, during World War II, when men and women of outstanding ability willingly accepted responsible positions as a patriotic duty. Evidences of this continued prestige can be seen in the increased interest in the examinations given by the United States Civil Service Commission for some types of positions. Young college graduates enter the competition for these positions in increasing numbers, and colleges and universities are encouraging their students to prepare for careers in the public service by offering training in public administration. Many outstanding businessmen and other leaders have given public recognition to the need for capable men and women in responsible government positions. Their stand has also lent encouragement to young men and women to consider government employment as a life career.

The technical, scientific, and professional requirements of the kind of work carried on by government today causes many people to consider government employment as being on a parity with private employment. The same kinds of work are found in both government and private employment, and work facilities and results of effort are quite similar. For example, the research scientist has about the same equipment for work and gains the same results in a research laboratory of a government department as in a corporation laboratory. The growth of governmental activities probably will



eliminate the distinctions existing between the government worker and the worker in private employment.

### *The Spoils System*

Much of the popular disesteem for civil service stems from the time in the history of the United States when a position in government service was a reward to an individual on a basis other than merit. Although about 90 per cent of the positions in the civil service of the national government at present are filled on the basis of merit, the remaining 10 per cent are filled on other bases. One basis is personal friendship, but more often political help given to one who was elected to a position carrying appointive power has been the test in making appointments. The payment of political obligations by means of government jobs is a practice found at all levels of government. The President of the United States may reward a prominent party supporter, especially one who has given money generously to party funds, with a high position in the executive department. At the local level, part-time work, such as court bailiff or clerk of elections, may be awarded to local party workers.

The practice of selecting personnel on the basis of political support is known as the *spoils system*. Its existence is accounted for in part by the need in a democracy for many political party workers. Frequently an ambitious candidate seeking elective office finds that an effective way to get support is to promise government jobs to his political helpers. Although for certain types of positions this system may be adequate, for many others it is not. Standards of competent performance in most positions in the civil service require that primary consideration be given to qualifications for doing the work. Nearly all phases of government work today require workers trained in science, technology, or the arts. Even where appointments are still made on the basis of the spoils system, the appointing officer usually feels the responsibility of appointing persons capable of performing the duties of the position.

The spoils system fell into disrepute in the United States partly through its inefficiency and partly through its offensiveness to the moral sensibilities of citizens. They observed that able, or at least experienced, men were frequently dismissed from office to make room for others, often not so able; that a clamor for government jobs came with every change of administration; and that those who took part in political activities regarded such jobs as rewards for their efforts. In addition, public officials with appointing power

frequently found many persons expecting the same job, and they lost enthusiasm for a system which disappointed more supporters than it satisfied. The inadequacies of the system were dramatized in 1881, when President James A. Garfield was assassinated by a disappointed office seeker.

### *The Merit System*

In 1883, Congress passed its first comprehensive measure—the Pendleton Act—providing for the application of the principle of merit to government employment. This Act authorized the establishment of a Civil Service Commission of three members, to be appointed by the President, not more than two of whom might belong to the same political party. The duty of the Commission is to provide “open competitive examinations for testing the fitness of applicants for the public service now classified, or to be classified.” The provisions of this Act have led to dividing the civil service personnel into two main groups—the “classified service” and the “unclassified service.” The positions in the classified service are under the *merit system*—that is, an examination is required for appointment. No examinations are required for the positions in the unclassified service.

At first, only the lowest offices were classified, but the law gave the President the right to place other positions in the executive department on the classified list. During the half-century following the passage of the Pendleton Act, the proportion of positions under the merit system increased gradually, as each President added new positions to the classified list. By 1932, about 80 per cent were classified. During the rapid expansion of government employment in the 1930's, the percentage decreased, but in 1940 the Ramspeck Act authorized President Franklin D. Roosevelt to classify almost all those positions unclassified at the time. In the next few years, the President carried out this law by means of executive orders. During World War II, some unclassified appointments were made, but they expired automatically within six months after the end of the war. As was stated, about 90 per cent of the civil service employees of the national government are now in the classified service. In general, the story of the civil service in the national government has been one of gradually increasing application of the merit system and the adoption of personnel policies designed to raise the standards of the service.

The early approach to civil service reform was essentially negative in character, the emphasis being on eliminating the evils of the spoils system. In recent years, the tendency has been to give some

### THE MERIT SYSTEM GROWS

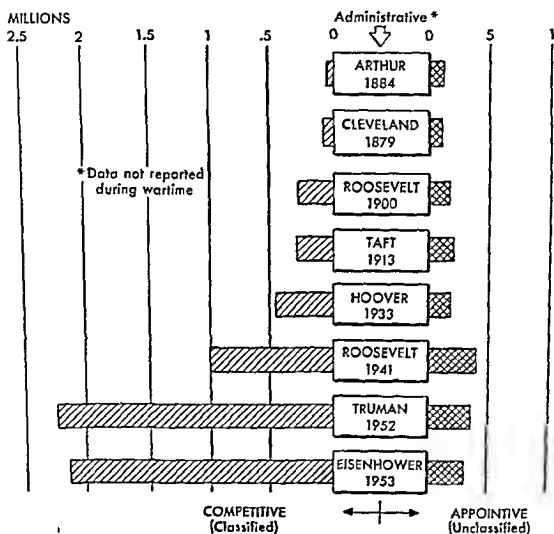


Figure 7. (Adapted from Wirth, *United States History*, American Book Co., 1954)

*Positions obtained under the merit system, which requires competitive or noncompetitive examinations. (Examples: postmen, clerks, stenographers, technicians, scientists.)*

*Positions obtained under the spoils system and by Presidential appointment. (Examples: district attorneys, U. S. marshals, customs collectors, ambassadors, ministers.)*

consideration to the positive aspects of personnel policy. A modern program of civil service management includes not only reducing the use of the spoils system but also evaluating the recruitment methods, classification of positions, salary schedules, promotion

schedules, and other aspects. A fully developed merit system is not achieved by careful methods of selection of personnel alone. After obtaining competent persons, it is necessary to place them in the right kind of work, to give them opportunities for advancement, and to pay them salaries comparable to those in private employment.

**EXAMINATION AND APPOINTMENT** The examination for a position in the classified service is the foundation of the merit system. The announcement of this examination, which is the principal means of advertising the opportunities for government employment, includes the essential information about the date of the examination, qualifications that candidates must have, duties and compensation of the position, and instructions for making application. A wider distribution of this material is made now than formerly; notices pertaining to the classified service are sent not only to post offices but also to educational institutions, State and local governmental agencies, newspapers, and to individuals and organizations on a general mailing list prepared by the Civil Service Commission.

For most positions, applicants are tested by competitive or assembled examinations, which consist mainly of short-answer questions requiring factual information. Tests of skill, such as typing or operating a machine, are given where pertinent. Tests of intelligence and aptitude are used in connection with some positions. Sometimes personal interviews or oral examinations are given in connection with positions where appearance, personality, or verbal ability are important.

Positions in higher classifications often are filled through non-competitive or unassembled examinations. In this type of examination, the applicant provides data but is not asked to meet with other candidates at one place for a written examination. Training, experience, accomplishments, and references are the bases for selection.

Following the examination, an eligible list is made up, including all those having grades of seventy or higher, and candidates are ranked on this list according to grade earned in the examination. Names then are selected from the list as the need arises. Preference given to veterans who have been honorably discharged adds five points to their examination grades; ten points are added for veterans with service disability, wives of disabled veterans, widows of veterans, and widowed or divorced mothers of men and women who were totally disabled or who died in service. By executive order,

veterans with a passing mark may be placed at the top of an eligible list. Whether or not war service should be rewarded by favoritism in the classified service is a highly controversial question.

The examining program described above operates only for the national government and is under the supervision of the examining and placement division of the Civil Service Commission. Within the national government, however, several agencies, including the Tennessee Valley Authority, the Central Intelligence Agency, the Federal Bureau of Investigation, and the Atomic Energy Commission, recruit and examine their own personnel. In all other cases, however, the Civil Service Commission certifies to the governmental agencies needing personnel the three highest names on the appropriate register when a request is received. The agencies sometimes add specifications of their own, and this practice makes possible deviation from the rule that the highest ranking name on the register will get the appointment. Another deviation from strictly merit appointment results from the provision that appointments shall be apportioned among the States on the basis of population "as nearly as the conditions of good administration warrant."

**CLASSIFICATION OF POSITIONS** From 1949 to 1955, positions in the classified service of the national government were grouped into two broad schedules—a General Schedule (GS) and a Crafts, Protective, and Custodial Schedule (CPC). In 1955, CPC was abolished, and certain positions in that schedule were incorporated into corresponding positions in GS; in the other positions, workers are now employed at prevailing wage rates. The General Schedule promotes uniformity among various departments in such matters as compensation, type of work, job titles, and promotions. It includes grades GS 1 to GS 18, and each step from GS 1 to GS 18 represents a promotion and a salary increase of \$200 or more per year. The routine work and elementary techniques of GS 1 pay a minimum salary of \$2,690 per year; GS 18, the highest grade (given to such workers as bureau chief, program administrator, or expert consultant) pays a salary of \$14,800 per year.<sup>7</sup>

**COMPENSATION, PROMOTION, AND RETIREMENT** The civil service system of the national government pays salaries that are generous in comparison with those of European governments and of State and local units of government. And when compared with those of pri-

<sup>7</sup> Salary under the Classification Act of 1949, as amended June 25, 1953.

vate employment, beginning salaries and those of clerical and stenographic workers are favorable. At the higher levels of administrative and professional positions, however, private employment offers higher remuneration. Organized groups of government workers continually press for higher levels of salary all along the line. Public administrators are concerned particularly about the salary schedules in the upper ranks, because in these ranks opportunities in private employment are responsible for a high rate of turnover, which drains ability and talent from the governmental service.

The principal standard of promotion in the classified service is tenure. Rewarding length of service rather than merit has disadvantages, but a tenure basis is definite and easy to administer. Service ratings and promotional examinations, which have been used occasionally, have provided a means of accelerating the promotion of able workers. Frequently, newcomers to the service have been admitted at a high rank, thus narrowing the possibilities for advancement of those already in the service. This practice, naturally, is opposed strenuously by members of the service.

The merit system in the national government did not provide a general retirement plan for its employees until 1920. At that time, provision was made for deducting 5 per cent of the salary for a pension fund, with the government matching the employee's payment. For a long time, the maximum retirement benefit was \$1,200 a year. In 1948, the employee's contribution was raised to 6 per cent of his salary and the government's share in the cost of the program to 6½ per cent. Provision also was made for a retirement allowance up to 80 per cent of the average annual salary for any five years of service. The maximum allowance of 80 per cent requires a minimum of thirty-five years of service. The amount is scaled down for those who retire with less service.

### *Special Aspects of Civil Service Employment*

Three aspects of civil service employment tend to make it different from private employment. In the first place, government employees have not had the freedom in organizing unions and in engaging in labor-union activities enjoyed by employees in private enterprise. They did not have the right to organize until 1912, when Congress granted workers in the postal service this right. Later, the privilege was extended to all government employees, and today there are a number of unions of government workers. Some of them are organized according to types of work, such as

the postal, customs, and immigration services; others are general organizations. The largest single independent union is the National Federation of Federal Employees. Two other labor organizations are the American Federation of Government Employees, which is affiliated with the American Federation of Labor, and the Government Workers Union, an affiliate of the Congress of Industrial Organizations. But the members of all unions of government workers deny themselves the right to strike against the government of the United States. Such a deprivation is in keeping with the prevailing public opinion in this country. This opinion was reflected in a provision of the Taft-Hartley Act of 1947 that specifically denies employees of the national government the right to strike.

A second distinctive feature of employment in the national government arose from the tension of international relations following World War II. As a result of criticism from Congress and private sources, President Harry Truman instructed the Attorney General to make a list of groups in the United States that were seeking to overthrow the government by unconstitutional means. Any government employee having membership in or associating with such a group was to be subject to investigation by the government. The Civil Service Commission, aided by the Federal Bureau of Investigation, was authorized to investigate the loyalty of employees. "Loyalty boards" were set up by various departments in Washington, D.C., and in regional offices. Some cases of association with subversive groups were discovered, and some admittedly poor risks were discharged or permitted to resign. The impressive feature of the investigations was that only a small fraction of one per cent were found to be guilty or even of doubtful loyalty.

Finally, one who enters the civil service finds that he must forego certain types of political activity. In 1907, an executive order was issued to the effect that civil service employees should not take part in political campaigns or organizations. Although this order was not well enforced, evidently it accorded with the sentiment of the country. In 1939, the Hatch Political Activities Act was passed, providing, among other things, that all national government employees except those holding policy-determining positions must refrain from engaging in specified kinds of political activity. They may attend meetings, discuss issues, and vote, but they may not hold party offices, solicit money for party funds, or be candidates for political offices. In 1940, this Act was extended to cover workers in State positions supported wholly or in part by funds of the national gov-

ernment. The effectiveness of these laws is a matter of difference of opinion. Perhaps the situation is best appraised as follows: "No one should be so naïve as to conclude that these measures have fully solved the problem or wholly and effectually separated the civil service from partisan politics. . . . Very substantial progress has been made, however. . . . Complete success hangs largely upon further crystallization of supporting public opinion."<sup>8</sup>

## SUMMARY

One of the outstanding transformations in the state as a social institution during the last half-century has been the change from the negative to the positive state. The functions of the negative state were limited primarily to protection from external enemies and maintenance of peace and order at home. The positive state, on the other hand, is characterized by a decided expansion of the functions of government in performing services for the people of the state. This is evidenced by increases in the number of government employees, in the varied types of work of these employees, and in the expenditures of government.

The impact of expanded activities has affected the executive branch of government. The chief function of the executive branch is to administer public policy, and therefore it must adapt itself to the demands for increased public services. Although the executive department of the national government has not been considered a model for efficiency in administration, it has undergone extensive reorganization in order to fulfill the administrative functions of the positive state. The Reorganization Act of 1939 authorized the creation of the Executive Office of the President to assist the chief executive in carrying out the duties of his office. Also, the departments in the President's cabinet have been expanded and reorganized, and new forms of administrative agencies, such as the commission, public corporation, and advisory committee, have been used to administer, or aid in the administration of, particular types of policies and programs.

An important aspect of the expansion of functions of the executive branch is the role which it now plays in policy-making. By its nature, Congress is unable to give intelligent attention to the details of laws relating to highly technical and specialized policies. Con-

<sup>8</sup> Harold R. Bruce, *American National Government* (New York: Henry Holt & Co., 1952), pp. 406-407.



sequently, most laws dealing with major issues are written in broad terms, and the administration must fill in the gaps, use discretion about enforcement, and recommend to Congress the need for new legislation. As a consequence of this development in policy-making, Congress cannot be held solely responsible for policy, nor has any entirely satisfactory procedure been devised in democratic processes to hold the administration responsible in this area.

As the government takes positive action in economic and social affairs, the people are motivated to take increased interest in governmental affairs. Each new proposal by the government causes affected interest groups to bring pressure upon the proper executive officials so to administer the proposed program as to protect the group's interests. The extent of general public interest may be limited, but a government that is doing things affecting the economic and social life of the people will arouse the people's interest more than one that does not.

The increase in the number of workers who carry out the expanded functions of government has caused more attention to be given to civil service policies than formerly. Since about one-tenth of all gainfully employed persons are in government service, government employees constitute a large portion of the population. Formerly, government employment was obtained mostly through the spoils system. At present, however, about nine-tenths of the employees of the executive branch of the national government are appointed, retained, and promoted under the merit system. The particular features of the merit system are recruitment of personnel, classification of positions, compensation, promotion, and retirement. Three aspects of civil service employment make it different from private employment. Civil service employees are (1) limited in their labor union activities, (2) subject to investigation on loyalty grounds, and (3) restricted in their political activities.

## QUESTIONS

1. What varieties of work would fall within the scope of government workers in the laissez-faire, or negative, state?
2. Why have governmental functions increased in recent decades? What are the evidences of expansion of governmental functions?
3. What are the differences between administration in governmental affairs and in private business?
4. What difficulties in public administration are presented by the increasing power of the pressure group?
5. Why are the departments in the President's cabinet unable to

administer all of the administrative functions of a *positive state*? What changes have taken place in the executive branch in an attempt to fulfill all of the administrative functions?

6. In what sense does the executive department become a lawmaking department in modern government? What problem in democratic procedures arises as executive officials engage in policy-making?
7. What has been the traditional public attitude toward employment in the civil service of the United States? What reasons are there for believing that this attitude may change?
8. What defense can you make of the use of the spoils system in government service?
9. Explain the main features of the merit system in the civil service of the national government.
10. What advantages are to be found in a vocation in the classified civil service? What disadvantages are there?

## DISCUSSION

1. Even though Congress has been compelled in recent years to share more of the details of policy-making with the administration, the importance of Congressmen in national life has steadily increased. Why do you think this development has taken place?
2. In recommending changes in the organization of the executive branch of government, the members of the Hoover Commission often failed to reach unanimous agreement. Account for this lack of agreement.
3. Would you favor changing the system of the government of the United States so that Congress could cause the resignation of the President and his chief officers and secretaries at will? Give reasons for your answer.
4. Would you favor the establishment of a national university for the training of public administrators? Should private and State universities feel any obligation to train public administrators? Explain your position on these questions.
5. The Hatch Act limitations impose an additional political limitation on adult citizens. Its restrictions on political activity may prevent a civil service worker from participating in the promotion of a policy in which he has a deep interest and of which he has much knowledge. How can you defend this deviation from the general rule of political democracy?
6. Construction workers employed by the government may be forbidden to strike. On a similar project under private construction, the workers may go on strike. Should this inequality between public and private employment be removed? If so, why? How could it be done?

## TERMS

**Administration:** The activities of the government in the exercise of its political powers and in its carrying out of public policies.

**Budget:** In this chapter, a financial statement of the estimated revenues and expenditures of a country for a specified period of time.

**Field service:** Those services that are performed to carry out administrative decisions. Persons employed in the field service include inspectors, investigators, and project supervisors.

**Staff service:** Those services that assist a public administrator but do not share in the authority of the administration. Persons employed in the staff service include legal advisers, budget officers, and personnel consultants.

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One of the most effective techniques of group control in the United States is the court system. The principal function of the courts is to interpret and apply the laws that have been formulated by legislatures. The judiciary not only interprets the law but also determines the rights of persons under the law. In interpreting the law, the judiciary has a part in the formulation of public policy.

To a great extent, law in the United States is shaped by the customs and practices of the people. But law differs from custom in the manner of its enforcement. It may be defined as a body of rules supported by formal agencies of enforcement. Since government directly controls these agencies, law contains a political element that does not exist in custom.

In the United States, there are two systems of law and courts—the national and the State. State courts have functioned since independence; the national system came into existence when the Constitution of the United States went into effect in 1789. In the present chapter, we shall discuss the types of law applied in the national and State courts, the structure and work of the national and State court systems, and the agencies for the administration of justice.

## TYPES OF LAW APPLIED IN THE COURTS

### *Statutory Law*

Statutory law is the law enacted by legislative bodies—for example, by Congress, State legislatures, and city commissions or councils. Statutory laws are usually called statutes at the national and State levels of government, and ordinances at the local level. This type of law has become so extensive that today it covers almost all areas of human relationships. Accordingly, much of the law applied in the courts is statutory law. Although statutory law

is written by legislative bodies, it is interpreted by the courts as cases arise. In a sense, a statutory law means what the judges say it means, and to "know the law," one must know not only the statutes but also the court decisions about them.

Statutory law may be either criminal or civil. Criminal law, which is almost entirely statutory, is the body of rules that defines and prescribes punishment for certain acts of persons as being offensive to society—for example, treason, murder, burglary, and kidnaping. Since a crime is a public wrong, either the State or national government, depending upon whether the law broken is a State or national statute, is responsible for prosecuting and punishing the guilty person. Most criminal cases are handled by the State courts.

Civil law is the branch of law that defines, and prescribes the penalties for, wrongs committed by one person against another. Thus civil cases are actions brought in court by one person against another for the purpose of restitution or reparation for violated rights or inflicted damages. Most litigation is in the field of civil law.

One area of civil law is the law of tort, which provides remedies for violation of any of a broad category of private rights. A tort is an injury or wrong done by a person against another person or against property. Examples of torts against persons are false arrest, assault and battery, alienation of the affections of husband or wife, slander, and libel. Torts against property include trespass, negligence, and nuisance. Other areas of civil law in which many cases arise are the law governing contracts; property law, both real and personal; inheritance law; the law of domestic relations (marriage, divorce, status of married women and of children); and corporation law.

### *Common Law*

If there is no statutory law governing an issue that comes before the courts, common law is applied. Common law is judge-made law; it is based upon court decisions which have become "precedents"—important judicial decisions which serve as guides to be followed in similar situations.

Common law originated in England in the twelfth century, when itinerant judges sent out by the king began the practice of settling controversies according to the customs of the locality. Gradually, a uniform body of rules became a law "common" to all English people. The English colonists in America followed the English com-

mon law with few changes. The use of common law continued in the States after independence and has since been developed to fit the needs of changing society in the United States.

Unlike the situation in England, no single system of common law has developed in the United States. Because local conditions have varied from State to State, each State, except Louisiana, has developed its own common-law rules. The legal system of Louisiana, with a French colonial background, was originally based on the Code Napoléon, enacted in France from 1804 to 1810, rather than on the English common-law system. (Of course, the law in Louisiana has been influenced by the common law of other States.) Although few basic differences exist in the various State common-law systems, considerable variation is found as to details, which have been influenced by local conditions. When it is necessary to apply common law in the national courts, the common law of the State in which the complaint took place is applied.

In the United States, many of the old common-law rules (those developed both in England and in America) have been enacted into statutory law, but in some instances the statutory law has overruled the common law. Statutes often are interpreted in the courts according to common-law principles. Today, much of the criminal law is statutory law, but a considerable amount of civil law is still common law. If both a statute and a common-law rule are applicable in a case, the statutory law is followed.

### *Equity*

As common law evolved in England, it tended to become more and more rigid. As a result, a situation often developed where the law did not fit changed social conditions. One of the ways by which this rigidity was counteracted was through the development of another body of law—equity. Under the law of equity, a person who could not obtain adequate justice under the common law might petition the king's chancellor directly to make an exception to the common-law rule or to make a new rule. In time, a special court—the chancery court—was established to give redress when none could be had under the common law.

The principles of equity, like those of common law, are a part of the legal system in the United States. They consist chiefly of permitting flexibility of both judicial procedure and decision. Since the purpose of equity is to grant justice to persons in situations where the usual operation of the law does not do so, discretion and reason

are used in equity cases, rather than the technical rules of common and statutory law and formal law procedure. In equity cases, for example, the judge may appoint a "master," who examines the facts and the testimony, often visiting the locale of the controversy to determine the exact circumstances of the situation under consideration. After the master has presented his findings to the court, the judge makes a "decree," which aims to right the wrong or do justice to the parties of the case. Equity is used also to prevent wrongs. For example, if Mr. Smith, in constructing a building on his property, threatens to cut down some shade trees on Mr. Brown's property, Mr. Brown may ask an equity court to issue an injunction (a court order requiring a party to perform or to refrain from performing specified acts) against Mr. Smith, thus preventing the cutting down of the trees. The only recourse of Mr. Brown in a court of law would be to wait until the trees are cut down and then sue for damages. Money payment for the trees, however, would not afford justice in this situation, since Mr. Brown wants the trees.

In the United States, equity cases usually are heard in the regular law courts, although a few States have established special courts—called chancery courts—for equity cases. Juries rarely are used in equity cases; the judge makes the decision on the basis of the evidence and testimony before him.

### *Constitutional Law*

Constitutional law includes the national and State constitutions, treaties made with other nations, and the precedents established by the courts, especially the Supreme Court of the United States, in the interpretation of constitutional provisions. The constitutional system of the United States lends itself to elaborate judicial interpretation, and these interpretations have high prestige in the courts. The subject matter of constitutional law includes the rights of the citizens and other persons, the powers of the government and their allocation to the branches of government, intergovernmental relations, and the regulation of interstate commerce and industry.

### *Administrative Law*

Administrative law consists of rules, orders, and regulations drafted and issued by the executive and by administrative agencies. Such rules and regulations have the same authority as statutory laws so long as they do not run counter to those laws and do not violate the Constitution. This type of law has developed as a result

of the complexities of modern governmental functions. In recent times, statutory law, particularly at the national level of government, has been confined to more general provisions because of the difficulty of determining precise details and the need for rapid changes in details of law. As we noted in the preceding chapter, the authority and responsibility for supplying the details has been delegated increasingly to administrative agencies in order to overcome the slower-moving legislative processes.

The amount of administrative law sometimes exceeds the statutory law on some subjects. For example, the Agricultural Adjustment Act of 1933 was only about thirty pages long, but the administrative law issued to carry out the provisions of this Act filled more pages than all the laws passed by Congress from 1789 to 1933.

### *International Law*

International law deals with the rules and conventions observed among nations. It is contained in treaties and other international agreements, in declarations of national courts on international subjects, and in commentaries of outstanding international lawyers, who base their opinions upon international practices and customs. The subject matter of international law includes the law of warfare and legal principles relating to protection of citizens abroad, to adjudication of both governmental and private claims, and to boundary disputes.

International law is applied mostly in the national courts and is recognized by the Constitution in the clause which gives Congress the power "to define and punish . . . offenses against the law of nations." (Article I, Section 8, Clause 10)

### *Special Types of Law*

Under certain circumstances, regular law is not applicable or is set aside temporarily. These circumstances have to do with government under military rather than civil administration. The two special types of law used for this purpose are military and martial.

Military law is the body of rules regulating the conduct and activities of persons in the armed forces. The courts-martial—special military courts—hold the trials arising under military laws. Such law formerly was contained in the Articles of War (the regulations governing the army) and the Articles of the Government of the Navy. In 1950, these two were replaced by the Uniform Code of Military Justice, which applies to all branches of the service.



The new code, which is less harsh than the former codes, has eliminated some of the previous arbitrary practices of military justice. For example, an enlisted person now has the right to request that enlisted persons serve on the court-martial that is to try him. Also, a United States Court of Military Appeals was created to review court-martial cases.

Martial law is extended to civilian populations in designated areas when governmental authorities are unable to carry on regular governmental processes. The conditions interrupting these processes generally are serious disorder, rebellion, war, riot, and disaster, such as floods and earthquakes. When martial law is proclaimed, ordinary laws are replaced by day-to-day regulations of a military officer, and military courts, staffed by officers, enforce these regulations. Although either the President or Congress may proclaim martial law, it has been put into effect by national authority only once since the Civil War—in Honolulu after the attack on Pearl Harbor in December, 1941. The common use of martial law is in communities within a State, where it is established by either the governor or the legislature. The presence of troops within an area to keep order does not necessarily indicate that martial law has been proclaimed. If they serve under the regular governmental authorities and if the regular law courts continue to function, martial law has not been established; the troops merely serve as extra policemen.

## THE JUDICIAL PROCESS AND STRUCTURE

As we have noted previously, the process of deciding the application and interpretation of a law when cases or controversies arise is a function of the courts. For this purpose at both the State and national levels, a separate branch of government, the judicial, has been created. The other branches, the legislative and executive, are designed to formulate and carry out public policy. The judiciary is concerned with the impartial weighing of facts and the analysis of law.

The right or authority of a court to hear and decide an issue in a given case is called *jurisdiction*. A court has *original jurisdiction* when it is responsible for the first hearing of a case. Here the first determination of facts is made and the basic trial is held. When a court has the authority to receive a case from another court and review the decision made by that court, it has *appellate jurisdiction*.

The order of appeals is from a lower to a higher court, in accordance with the structural arrangement of the court system. In some instances, more than one court has the authority to hear and decide a case—for example, either a national court or a State court. These courts have *concurrent jurisdiction*. The court of *final jurisdiction* is the one that makes the final disposition or determination of a case.

The court system in the United States is dual in nature, since in each State two judicial structures exist—the national and the State. We shall discuss first the national court system and then the court systems of the States.

### *The National Court System*

The Constitution of the United States does not elaborate on the structure and organization of the national courts. Article III, the judiciary article, provides for a Supreme Court and such inferior courts as Congress shall from time to time establish. The Article states further that judges in the national courts shall hold office during good behavior (for life) and that their compensation shall not be reduced while in office. The purpose of these provisions is to give the judiciary a degree of independence from the legislative and executive departments. Judges may be removed by impeachment proceedings. Neither the number of Supreme Court justices nor the organization of the Court was established by the Constitution. Although provision was made for inferior courts, their number, type, jurisdiction, and organization were not mentioned. The responsibility for providing the details of organization was left with Congress.

The *jurisdiction* of the national courts is delineated in more detail in Article III than is the structure and organization. This jurisdiction is extended to two broad classes of cases or controversies—those involving certain classes of persons or parties and those relating to certain subject matter. The kinds of persons or parties for which the jurisdiction of the national courts is provided are (1) foreign ambassadors, public ministers, and consuls; (2) the government of the United States itself; (3) States on each side; (4) a State and citizens of another State; (5) citizens of different States; and (6) a State or citizen thereof and foreign states, citizens, or subjects. When these parties are involved in actions at law, their cases, regardless of subject matter, may come under the jurisdiction of the national courts. In cases involving citizens of

different States, however, Congress has provided that the cases must involve more than \$3,000 in order to come under the jurisdiction of the national courts. Even if the amount involved is more than \$3,000, the national courts do not have exclusive jurisdiction, but concurrent jurisdiction with State courts, and the parties in the case may choose to have it heard in a State court rather than in a

## THE FUNCTIONING OF THE NATIONAL COURT SYSTEM

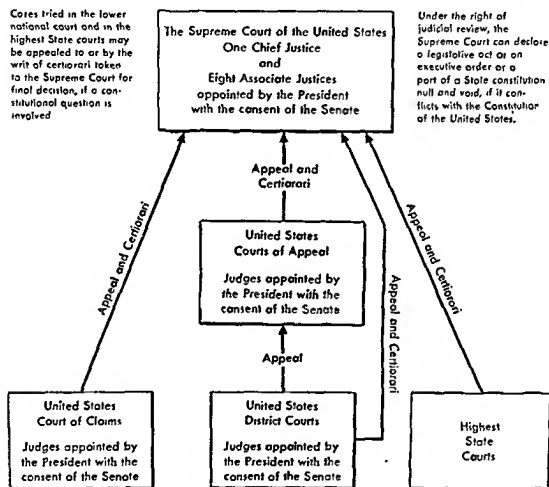


Figure 8

national court. Furthermore, the Eleventh Amendment modified the original Constitution regarding cases in which a State is a party. The Supreme Court interpreted the original Constitution to mean that the national courts had jurisdiction over cases brought by citizens of one State against another State. Because of a long-established principle of law that a sovereign state cannot be sued

without its consent, the States considered this interpretation as interfering with their sovereign rights. This point was clarified by the Eleventh Amendment, adopted in 1798, which states: "The judicial power of the United States shall not be construed to any suit in law or equity, commenced or prosecuted against one of the United States by citizens of another State, or by citizens or subjects of any foreign state." Therefore, at present the national courts do not have jurisdiction over suits against States if brought by citizens of another State or by a foreign state<sup>1</sup> or by citizens or subjects of a foreign state. It is possible, however, to bring suit against a State in its own courts if the State gives its consent.

As to subject matter, the national courts have jurisdiction over cases involving the Constitution, treaties, and laws of the United States. The national courts also have jurisdiction over admiralty and maritime cases arising on the high seas and on the navigable waters of the United States. Although the States may have an interest in such cases, the nature of the cases makes their consideration by the national courts necessary if they are to be treated impartially. Circumstances leading to litigation may arise on the high seas far distant from the State in which the ship has been chartered. Furthermore, although a ship is chartered in one State, a controversy involving a legal question may develop in the port of another State. If such is the case, the question as to which State has jurisdiction is eliminated by making the national courts responsible for the settlement.

The types of cases over which the Supreme Court has original jurisdiction are enumerated in the Constitution. Treason also is defined—as levying war against the United States or giving aid and comfort to the enemies of the United States. According to the Constitution, a conviction of treason is possible only after a confession in open court or on the testimony of two witnesses to the treasonable act. The Constitution also provides for jury trial in criminal cases (Article III and the Sixth Amendment) and in suits at common law if such suits involve more than \$20.00 (the Seventh Amendment).

**THE SUPREME COURT OF THE UNITED STATES** At the top of the court system in the United States is the *Supreme Court*, which was

<sup>1</sup> Though the Eleventh Amendment did not expressly provide that a foreign state could not bring suit against a State, in 1934 the Supreme Court in the case of *Monaco v. Mississippi* (292 U.S. 313) held that a State could not be sued by a foreign state without its consent.

organized as a result of the Judiciary Act of 1789. Today the Court is made up of a Chief Justice and eight Associate Justices, who are appointed by the President with the consent of the Senate. It meets in annual session from October to June to consider the cases over which it has jurisdiction. Decisions are reached by a majority vote of the justices. Either the Chief Justice or an Associate Justice designated by him writes a majority opinion, giving the Court's reasoning on the case. Often the justices in the minority write one or more dissenting, or minority, opinions in which are given the reasons for their dissent.

According to the Constitution, the Supreme Court has original jurisdiction over cases involving foreign ambassadors, public ministers, and consuls, and over cases in which a State is a party (modified by the Eleventh Amendment, as discussed above). The Constitution also states that in all other cases the Supreme Court shall have appellate jurisdiction within exceptions and regulations made by Congress. Throughout the years, Congress has elaborated the appellate system, and today the Supreme Court has almost complete discretionary authority to determine what cases it shall hear.

Most cases considered by the Supreme Court are those in which decisions have been appealed from the lower national courts or from the highest State courts. Cases may be taken to the Supreme Court by writ of *certiorari*—an order issued by the Court to a lower court to transmit for review the record of a case tried in it. In this instance, the Court considers the request of any of the parties in the case and determines whether or not it should hear the case. The cases considered by the Supreme Court now are limited mainly to those dealing with constitutional issues and those involving the actions of administrative agencies of government.

The most distinctive function of the Supreme Court is to pass finally upon disputed State laws, acts of Congress, and administrative rules and regulations. That is, the Supreme Court has final jurisdiction over all cases involving the Constitution and thus may be asked to determine the validity of rights provided or penalties inflicted under a law that is inferior to the Constitution. If the justices find that the provisions of the law are contrary to the Constitution, the law is nullified. The Supreme Court does not pass on the constitutionality of all laws, but only on those involved in specific cases considered by the Court. Difficulty arises when the Court finds unconstitutional a law that has been on the statute books for a long time. In such instances, parties have acquired interests by transact-

ing business and assuming obligations. These interests are not necessarily invalidated, even though the law is no longer in effect. In general, the procedure the Court follows is to protect those interests if, by not doing so, injury would be done to those persons having acquired such interests.

As we have discussed in Chapter 19, Volume I, the power of determination of validity of statutes is called judicial review. The Supreme Court has used this power with discretion. The first instance was in 1803, and the Court did not invalidate another national statute until 1857. More judicial nullification of national statutes occurred after 1870, and by 1955 seventy-three national statutes (either in whole or in part) had been invalidated, although only minor provisions of two national laws have been nullified since 1936.<sup>2</sup> State laws, parts of State constitutions, and executive actions of State officials also may be questioned as to their conformity with national laws and treaties and with the Constitution of the United States. In these cases, appeal on the constitutional question may be taken directly from the highest State court having jurisdiction to the United States Supreme Court. More State than national laws have been invalidated.

In the course of its development of constitutional law through opinions and decisions, the Supreme Court has acquired great prestige as arbiter of constitutional issues, and through its responsibility for interpreting laws and making applications to specific instances, the Court is one of the major agencies influencing public policy.

**THE UNITED STATES COURTS OF APPEALS** The intermediate appellate level of the national court system—now called the Courts of Appeals—was established in 1891 in response to a need to relieve the Supreme Court of the great mass of litigation for which appeal from the trial courts was desired. At present, the United States is divided into ten circuits and the District of Columbia, with a Court of Appeals in each. These courts have only appellate jurisdiction. They hear cases appealed from the District Courts and review orders issued by many of the administrative agencies, such as the Interstate Commerce Commission, the Federal Trade Commission, and the National Labor Relations Board. In most cases, the jurisdiction of the Courts of Appeals is final as well as appellate. The exceptions to this rule are cases involving constitutional issues, which may be

<sup>2</sup> *Tot v. United States*, 319 U.S. 463 (1943) and *United States v. Lovett*, 328 U.S. 303 (1946).

appealed to the Supreme Court. Sometimes such cases may be appealed directly from the trial court to the Supreme Court.

The judges of the Courts of Appeals are appointed by the President with the consent of the Senate. At present, a Court of Appeals has from three to nine judges, depending upon the amount of work in the circuit. Usually, three judges hear a case, but in certain cases all judges are present. In the procedure of these courts, juries are not used, and the arguments are on interpretation of law, the facts having been decided by the court of original jurisdiction.

**DISTRICT COURTS OF THE UNITED STATES** The District Courts of the United States are the great trial courts of the national court system and are the only national courts that regularly use a jury. There are eighty-five District Courts—one in the District of Columbia and from one to four in each State, depending upon the amount of litigation within the State. More than two hundred judges serve these courts; they are appointed by the President with the consent of the Senate. The number of judges in each district varies from one to eighteen, depending upon the amount of judicial work. Ordinarily only one judge hears a case, but in certain kinds of cases, such as those involving the issuance of an injunction under the anti-trust laws or the constitutionality of a law, three judges are required. If such cases arise in a one-judge District Court, judges of other District Courts in the same judicial circuit are transferred to the district in which the case is being heard.

The District Courts have only original jurisdiction. Most of the cases that come under the jurisdiction of the national courts are dealt with in these courts. All criminal cases in which the United States is a party are heard in the District Courts—for example, cases involving the misuse of the mails, theft of property of the national government, violation of internal revenue laws, counterfeiting, and transportation of stolen property across State boundaries. Admiralty and maritime cases also come under the jurisdiction of the District Courts, but ordinarily only those courts located in the areas of shipping centers have cases of this type.

The District Courts have concurrent jurisdiction with State courts in civil cases arising under national laws, or between citizens of different States, or between citizens of a State and foreign states or citizens or subjects of foreign states if the amount in the controversy exceeds \$3,000. Exceptions to the concurrent jurisdiction of cases arising under the national laws are those in which Congress has made the jurisdiction of the national courts exclusive—for example,

District Courts make final settlement in most of the cases which they hear. If a case involves a constitutional issue, it may be appealed to a Court of Appeals or, under some circumstances, directly to the Supreme Court—for example, cases under the antitrust and interstate commerce laws may be appealed directly to the Supreme Court.

**THE COURT OF CLAIMS** The Court of Claims was established by Congress in 1855 as a special court to allow claims against the government of the United States, except pension claims, which require legislation by Congress, and tort claims, which are now settled in the District Courts. Most of the claims dealt with by the Court of Claims are those arising out of agreements or contracts by the national government or its agents. As was stated, if the claim is \$10,000 or less, the jurisdiction is concurrent with the District Courts; if it is more than \$10,000, the Court of Claims has exclusive jurisdiction. The Court itself does not make the actual payment of money if the claim is allowed, but it must rely upon Congress to make an appropriation for the payment.

The Court of Claims employs five judges who are appointed for life, on condition of good behavior, by the President with the consent of the Senate. In 1953, the Court of Claims was designated by Congress as a constitutional court rather than a legislative court, a designation that it had had to that time.

**SPECIAL COURTS** The Supreme Court, the Courts of Appeals, the District Courts, and the Court of Claims make up what is called the "constitutional" court system of the national government. It is so designated because these courts are established under the authority of Article III, the judiciary article of the Constitution, and their judicial power is limited to the cases and controversies mentioned in that Article.

Congress has established other courts to determine matters not



within the judicial power of Article III. These are called special, or "legislative," courts, and in establishing them Congress is not bound by the limitations imposed by the Constitution on the judiciary. Therefore, Congress can assign to them nonjudicial as well as judicial functions, and the judges may be given specified terms of office instead of appointment for life on good behavior.

Under the power to govern territories, Congress has established territorial courts in Puerto Rico, Hawaii, Alaska, the Virgin Islands, and the Canal Zone. In Puerto Rico and Hawaii, these courts have the same jurisdiction as United States District Courts. In the other three territories—Alaska, the Virgin Islands, and the Canal Zone—Congress has given the territorial courts jurisdiction over matters other than those described in Article III—for example, over local matters that in the United States are under the jurisdiction of the State courts.

Another legislative court—the Tax Court of the United States—hears appeals from decisions by the Internal Revenue Bureau. In order to provide for orderly review of the many decisions of customs officials, a Court of Customs was established in 1926. Later, a Court of Customs and Patent Appeals was provided to hear cases appealed from the Court of Customs and from the United States Patent Office. The United States Court of Military Appeals, mentioned in connection with military law, also is a legislative court, established by Congress for the purpose of reviewing cases from the courts-martial.

As has been mentioned, a Court of Appeals and a District Court have been established in the District of Columbia. These courts not only have jurisdiction granted by the Constitution but also have been assigned special functions by Congress. For example, the courts have jurisdiction over cases involving the local laws in the District of Columbia and, in some circumstances, over review of the decisions of the administrative agencies, such as the National Labor Relations Board and the Interstate Commerce Commission, of the national government. Thus they are, in a sense, both constitutional and legislative courts.

**JUDICIAL CHANGE** The development of the judiciary of the United States has been characterized by a steady adaptation to changing conditions. Generally it has sought to interpret the law in accordance with social and economic changes, although at times with some delay. In a dissenting opinion in 1936, Justice Harlan Stone

warned the Supreme Court against considering itself superior in power or infallible: "It must be remembered that legislators are the ultimate guardians of the liberties and welfare of the people in quite as great a degree as the courts." [Quoted from Justice Oliver Wendell Holmes's opinion in *Missouri, Kansas and Texas Railway Company v. May*, 194 U.S. 267 (1904)] . . . Congress and the courts both unhappily may falter or be mistaken in the performance of their constitutional duty."<sup>3</sup>

The judiciary does not have as much independent power as is sometimes supposed. Congress may alter the structure as well as the jurisdiction of the courts of the United States within the few constitutional limitations imposed upon its action. The President, by his power of appointment, can influence the nature of the judiciary as he fills vacancies in the system. A judicial controversy arose when the Supreme Court invalidated substantial amounts of New Deal legislation in the years from 1933 to 1936. In the ensuing controversy, President Franklin D. Roosevelt proposed a reorganization of the judicial system which, among other things, would have made it possible for him to appoint new justices to the Supreme Court when incumbent justices reached the age of seventy years. Although Congress refused to enact Roosevelt's proposals in full, a law was passed allowing retirement of judges of national courts at seventy-five years of age.<sup>4</sup> After 1936, the Court began to uphold the legislation of the New Deal, and as the opportunities came to make judicial appointments, the tension was eased.

The problems attendant upon adjustment of the structure and procedure of the national court system to changing times are dealt with by two agencies. One of these is the Judicial Conference, established in 1922 to consider judicial problems and to make recommendations regarding the national court system to Congress. The Conference, meeting annually, deals with such topics as unification of the court system, improvement of relations among the courts, and speeding the handling of cases. It is made up of the Chief Justice of the Supreme Court, a judge from each judicial circuit, the Attorney General and his departmental assistants, officers of the Administrative Office of the United States Courts, and representatives from the judiciary committees of the House of Representatives and

<sup>3</sup> *United States v. Butler*, 207 U.S. 1 (1936).

<sup>4</sup> In 1954, Congress provided that any judge appointed for life may resign or retire from active service and with ten years of service continue to receive his full salary. Under the same law, judges may retire from active service upon reaching the age of sixty-five and with fifteen years of service receive full salary.

the Senate. As the burdens of the government become greater, the Judicial Conference is of increasing importance, serving as a means for relating the work of the courts to that of the administration of government.

The other agency is the Administrative Office of the United States Courts, established in 1939. This office administers routine personnel matters, prepares statistical reports and studies, and supervises the purchase and distribution of equipment and supplies.

### *The State Court Systems*

Though State court systems vary considerably, they have certain common characteristics. Under the Constitution of the United States, the States have all judicial power not delegated to the national government. In fact, much of the judicial power conferred upon the national government is not conferred exclusively, and the State courts are barred from acting only where exclusive jurisdiction has been conferred, either by the Constitution or by Congress. The national courts have exclusive jurisdiction over cases in which national criminal law is involved, civil cases against the national government where consent to be sued is given, cases involving the patent and copyright laws, cases arising under the bankruptcy laws of the United States, cases affecting foreign ambassadors, other public ministers, and consuls, admiralty and maritime cases, suits between States, suits brought by a State against the citizens of another State, and cases arising out of capture of enemy or abandoned property on the high seas (prize cases). In the other kinds of cases, unless exclusive jurisdiction has been given State courts by Congress, suit may be brought in either national or State courts at the discretion of the plaintiff. If the plaintiff chooses to bring suit in a State court, however, the defendant, under certain circumstances, may request removal of the trial to a District Court of the United States.

**JUSTICE OF THE PEACE COURTS** The lowest level in the State judicial system is the justice of the peace court, conducted by magistrates chosen, in most instances, by popular election. A township or precinct ordinarily is the judicial area over which the justice of the peace has jurisdiction, but frequently he is given jurisdiction throughout the county. His judicial duties consist of hearing civil suits where the sum involved is not over a set amount, usually \$100 or \$200; trying minor criminal cases, usually limited to petty offenses

by law; and holding preliminary hearings on more serious criminal cases. Ordinarily justice of the peace courts do not use a jury. In some States, a jury trial is allowed on demand of the party or parties involved, subject to certain qualification; in other States, there is no provision for a jury trial.

In addition to his judicial duties, the justice of the peace usually performs marriage ceremonies. In some States, he is a member of the township board, together with the marshal and the assessor. The justice of the peace ordinarily does not draw a salary but is reimbursed through a fee system, which often encourages "deals" with police officers, fee-splitting, and highway traps.

The person holding the office of justice of the peace, especially in rural areas, is not likely to be one trained in judicial procedure or law. Often, however, he knows the local customs and mores very well, and he may be one of the public-spirited leaders of the community. Accurate generalizations cannot be made, because of the wide variation in the qualifications of the persons in these offices. The tendency has been for more and more cases to by-pass the justice of the peace courts, and such duties as the justice of the peace retains are performed before the eyes of a neighborhood electorate. The most recent reorganizations of State judiciaries either have eliminated justice of the peace courts or have revised their activities.

**GENERAL TRIAL COURTS** In each State, at either the county or a district level, are trial courts, which correspond to the District Courts of the United States. These courts have original jurisdiction in both civil suits and criminal cases, if the importance of such cases places them beyond the reach of the justice of the peace. The judges usually are elected by the voters of the county or district. If several counties comprise a district, the judge operates on a circuit, holding court in each county in turn. The most extensive use of the trial jury is found at this level, because the usual procedure of the justice of the peace courts is to hear cases for which a jury trial is not warranted.

Practically all States have one or more special courts for cases of a particular nature. The kinds of special courts in the various States are chancery courts, for hearing equity cases; probate or surrogate's courts, for the settlement of estates of deceased persons; juvenile courts, for trying offenses of minors and investigating delinquency problems; and courts of claims, for hearing claims against the State. In some States, separate courts are not established for hearing cases

as mentioned, but they are heard by a county court, which follows different procedures for the different kinds of cases. In such instances, the general trial courts are organized on a district rather than a county basis.

**THE STATE COURTS OF LAST RESORT** At the top of the judicial system in each State is a court of last resort known by various names, the most common of which is "supreme court." These courts have from three to nine judges, who for the most part are elected by popular vote. One of the judges is designated as the Chief Justice—he may be elected as such, chosen by his colleagues, or selected by a rule of the court, such as seniority. The principal jurisdiction of the State courts of last resort is appellate, and the chief function of these courts is to re-examine the decisions of lower courts and correct them as needed. Any case appealed to the State courts of last resort is disposed of there unless an issue permitting jurisdiction of national courts, usually a national constitutional question, is found. Then an appeal may be taken directly to the Supreme Court of the United States.

**CHANGES IN STATE JUDICIAL SYSTEMS** The work of the State courts is heavy because of the great number of civil and criminal cases arising within a State. As these cases have increased, problems in the organization of the courts have become evident. Such problems are (1) lack of specialization in the courts, (2) unequal work loads among judicial districts and among courts, and (3) lack of uniformity and integration within the court system. These problems are attacked in proposals to unify State court systems along lines advocated by the National Municipal League in the Model State Constitution. According to this plan, the courts of a State would be unified into a single court, with the necessary branches and divisions for jury cases, probate cases, equity cases, and so forth. They would hold sessions in various parts of the State, as judicial business required. A central supervisory agency, either the highest court or a special judicial council, would be empowered to assign judges to the various branches and divisions, to transfer judges to help in courts with unusually heavy dockets, and to prescribe rules of procedure.

The movement toward unification of courts began in metropolitan centers, where the litigation has become complex and specialization has been needed. The traditional city court is a somewhat elab-

orated justice of the peace court and is called a police court, magistrate's court, or mayor's court. These courts have jurisdiction over violations of city ordinances, other misdemeanors, and lesser civil suits. The need for specialization in such matters as traffic, juvenile delinquency, domestic relations, and municipal planning has led to the establishment of unified municipal courts in a number of places. Under such a plan, a judge does not try all cases of whatever kind arising in his district but instead is assigned to one of the divisions in work for which he has specialized.

Acceptance of the principle of unification has come slowly in the States. Missouri, in adopting a new constitution in 1945, provided that its supreme court could make uniform rules of procedure and could make *temporary assignments of judges to congested dockets*. Since that time other States—for example, New Jersey, California, North Carolina, and Idaho—have reorganized their court structures along similar lines.

## AGENCIES FOR THE ADMINISTRATION OF JUSTICE

Various agencies and offices are maintained by government for the administration of justice. These agencies are administrative in nature, and although they are separate from the courts, they function in close relationship to them. Just as the judicial system in the United States is dual in nature because of the federal principle of government, dual systems exist for the administration of justice—a national system and the State systems. At some points, however, cooperation between and co-ordination of the systems have developed.

### *Agencies of the National Government*

The responsibility for the administration of justice at the national level of government is centered in the Department of Justice, whose head, the Attorney General of the United States, is a member of the President's cabinet. This department has several closely related responsibilities, including preparing legal opinions for the President and the executive department agencies, representing the government in cases to which the United States is a party, supervising the federal penitentiaries, and detecting and apprehending violators of national laws. For this last function, the Federal Bureau of Investigation (FBI) was organized in 1908. The FBI, whose officers are known as G-men, has become one of the important crime detection

agencies. It requires specialized training for its personnel and applies modern scientific developments to its work. Since its establishment, the national government has assisted State and local officials in crime-control work. The interstate nature of many crime organizations and the ease with which offenders move from State to State make this co-operation necessary.

For the field work of the Department, a United States District Attorney and a United States Marshal are appointed for each of the judicial districts. The District Attorney prepares indictments for presentation to the grand juries and conducts the government's cases within the district. The Marshal arrests persons accused of crimes against the national government and aids the District Court in many other ways, such as summoning jurors, serving court summonses, and carrying out the decisions of the court. One or more United States Commissioners also may be appointed in each district. These officers not only make preliminary investigations in connection with criminal prosecutions but also assist in the judicial process by administering oaths, issuing warrants for arrests, and subpoenaing witnesses.

Although the administration of justice by the national government is centralized in the Department of Justice and its field offices, some agencies in other departments do specialized work of this type. Examples of these agencies are the Secret Service of the Treasury Department; the Intelligence Unit in the Bureau of Internal Revenue, in the same department; the investigation divisions of the Interstate Commerce Commission, the Federal Trade Commission, and several other agencies; and the inspection units of the Post Office and Agriculture Departments.

### *Agencies of State and Local Governments*

One of the major contrasts between the national system and the State and local systems of administration of justice is the degree to which the latter are decentralized and dependent upon a large number of local officials. Some centralization and co-ordination, however, have developed in recent years. Another contrast with the national system is the extent to which the officers are chosen by popular election rather than by appointment.

The Attorney General, the chief State law officer, is an elected official in more than half the States. In general, the Attorney General's office does not have the centralized control of field agencies that the United States Department of Justice has. Thus the State

Attorney General usually devotes more time to the preparation of legal opinions for the Governor and other State officials than to the supervision of crime-control work. His office also represents the State in lawsuits to which the State is a party.

The work of criminal prosecutions commonly is cared for by district or county attorneys, who are directly elected by the voters in almost all States. As a result, these officials are relatively independent of, and poorly co-ordinated with, the State Attorney General. Popular election also tends to emphasize political traits in the incumbent, and frequently brilliant work as a prosecutor for the State is an asset in a political career—for example, often an outstanding district or county attorney has been elected Governor or a member of Congress. The prosecuting attorney at the county or district level holds an office of considerable power. It is the center of activity to combat crime and a source of stimulation of local police agencies. The office also holds almost absolute power over decisions as to whether or not to prosecute those who have been apprehended.

The agencies for detection and arrest of persons charged with offenses are even more decentralized in the typical State government than are those for prosecuting. Although all States now have a State police force of one type or another, these State forces frequently have limited authority—for example, in some States their work is confined to traffic control. In most States, they refrain from all law enforcement in incorporated places, except upon the invitation of the governing authority of the municipality or in case of emergency.

Another agency for law enforcement at the State level is the organized militia, known as the National Guard. National Guard units are organized in each State, and they may be called upon by the Governor to maintain order and restore peace when circumstances warrant. In case of national emergency, the National Guard may be called into service by the national government; in this event, the Guard ceases to be a State agency. The national government furnishes the major support for the National Guard.

One of the law-enforcement agencies at the local level of government is the office of county sheriff. This office is provided for in every State, and it is filled by election everywhere except in Rhode Island and New York City. At one time the office of county sheriff was the principal law-enforcement agency in most States, but it has become less active as urbanization has increased and as crime organizations have spread across State lines. In largely rural counties,



the sheriff is still the principal law-enforcement officer, but in many areas, city and State police forces and the FBI have taken over many of the crime-control functions of the county sheriff. Even though the sheriff is not as prominent a law-enforcement officer as he once was, the office is not likely to be abolished, because it has a number of civil duties of importance attached to it—for example, serving and processing delinquent tax notices, supervising elections, making up jury rolls and hearing for jurors, and executing court orders.

The growth of cities has been accompanied by the development of municipal police systems with highly specialized services. Merit-system appointments, promotions, and other modern personnel policies usually are in effect, and special training schools for peace officers have developed rapidly in recent years. Frequently these training schools give short and intensive training courses, in which the Federal Bureau of Investigation, State police or highway patrol, and others who play a part in law enforcement participate.

Peace officers for villages, towns, and townships are called constables or marshals. These officers usually are elected by the people. The local officer has power to make arrests for breaches of the peace within his jurisdiction. The work is frequently part time, and most of this time is spent in serving warrants, subpoenas, and other processes of the local court. In New England, the functions of the peace official of the town are of more importance than in other parts of the country.

## SUMMARY

Law is the body of rules supported by agencies of enforcement. Although laws are based upon the customs of the people to a considerable extent, they differ from customs in that laws have governmental agencies of enforcement behind them. The responsibility for the enforcement of law rests with the executive department of government. The courts, on the other hand, are responsible for the interpretation of the laws and for determining the rights of persons under the law.

Under the federal principle of government, dual systems of law and courts have been established in the United States—the national and the State—operating in the same territory and serving the same people. Conflict between the two systems is avoided by defining the limits of jurisdiction of each system. In general, the national courts

try cases that arise under national laws, and the State courts those that arise under State laws. In some cases, however, the national and State courts have concurrent jurisdiction. The types of law applied in the courts are statutory law, common law, equity, constitutional law, administrative law, and international law. Under certain circumstances, the regular law is not applicable or is set aside temporarily. In such circumstances, special law—military or *martial law*—is enforced by military, rather than by civil, administration.

The national court system is made up of constitutional courts and legislative courts. The constitutional courts—the Supreme Court of the United States, the Court of Appeals, the District Courts, and the Court of Claims—have been established under the authority of Article III of the Constitution. This Article defines the cases and controversies over which these courts have jurisdiction. The legislative courts have been established by Congress and may be given nonjudicial as well as judicial functions, since the jurisdiction of these courts is not limited by Article III. The legislative courts are the territorial courts, the Court of Customs, the Court of Customs and Patent Appeals, the Tax Court of the United States, and the United States Court of Military Appeals. The Supreme Court of the United States is the court of final jurisdiction in cases involving a constitutional issue. Although the Constitution provides for the original jurisdiction of the Supreme Court, most of the cases heard by this Court are those appealed from lower courts. The Courts of Appeals have only appellate jurisdiction, and the jurisdiction of the District Courts is original only.

The State court systems vary considerably but have certain common characteristics. Each State has a court comparable to the Supreme Court of the United States; in most States it is called a supreme court. The chief function of these courts is to review cases from the lower State courts. Cases from these courts, if they involve a national constitutional issue, may be appealed directly to the Supreme Court of the United States for review. All States have general trial courts, at either the county or a district level. Practically all States also have one or more special courts for hearing cases of a particular nature—for example, probate courts, for the settlement of estates of deceased persons; juvenile courts, for trying offenses of minors and investigating delinquency problems; and courts of claims, for hearing claims against the State. The justice of the peace courts are lowest in the hierarchy of State courts. Minor criminal

cases and civil suits involving small amounts are heard by these courts. In addition, the justice of the peace usually has nonjudicial duties.

Both national and State governments have a number of agencies for the administration of justice. The national agencies are centralized to a considerable degree in the Department of Justice. This Department represents the government in court and provides District Attorneys, Marshals, and Commissioners to assist the courts in many ways. The State systems for the administration of justice are less centralized than the national system and are dependent upon a large number of local officials; for example, the State systems include the State Attorneys General, district or county attorneys, and county sheriffs.

## QUESTIONS

1. In what way does the judiciary in the United States help formulate public policy?
2. What kind of law is made by legislatures? By courts? By the Federal Trade Commission?
3. Distinguish between military and martial law.
4. Which constitutional courts of the national government have only original jurisdiction? Which have only appellate jurisdiction? What kinds of jurisdiction does the United States Supreme Court have?
5. According to subject matter, what cases may come under the jurisdiction of the national courts? According to persons involved or parties in the case? How is the extent of exclusiveness of jurisdiction determined?
6. What agencies outside the regular or constitutional courts carry on judicial business?
7. What is meant by a "unified court system"? What improvements are made possible by unification?
8. Contrast the method of selection of judges of the constitutional courts of the United States with the most common method of selection of judges of State courts.
9. What courts are at the base of the State court systems? Compare the State court systems with the national system.
10. What reasons can be given for the increasing activity of the national government in crime control?
11. What difficulties are experienced by State peace officers in performing their duties efficiently?

## DISCUSSION

1. Distinguish between law and custom. Do all customs become laws? Why or why not? Do you think a law based upon custom would be easier to enforce than one not so based? Give reasons for your answer.
2. In what sense may it be said that the common law is "discovered," not enacted?
3. Give an example of a wrong a person would expect to have righted in an equity proceeding rather than in case of law.
4. Could martial law have been imposed on any section of the continental United States during World War II? Give reasons for your answer. Can you give any specific examples of the use of martial law in the United States?
5. What arguments can you make supporting the popular election of judges in State court systems? What method of selecting judicial personnel would you defend? (Consider popular elections, appointment by the Governor, appointment by the legislature, appointment by a judicial council, a merit system, and others.)
6. Prepare a report on the system of State courts in your own State. How nearly does it fit into the general discussion of State court systems presented in this textbook?
7. How may the tendency indicated by the increasing activity of the national government in crime control be related to co-operative federalism, discussed in Volume I? (See Chapter 19, "Constitutionalism.")

## TERMS

**Adjudication:** Act or process of determination, decision, or sentence by judicial means.

**Equity:** As related to law, the word *equity* means equal and impartial justice by and through which relief is given to the contending parties. The law of equity provides a remedy or procedure that gives a person justice that would not be possible under common law or statutory law. Procedure in equity cases is less formal than in regular law cases.

**Fee-splitting:** The practice of dividing fees with others in return for favors; sometimes a practice of public officials.

**Highway traps:** An arrangement for surprising unwary travelers by overzealous enforcement of local traffic ordinances.

**Impeachment proceedings:** A process by which the President, Vice-President, and civil officers of the national government can be removed

from office. The House of Representatives impeaches the officer—that is, brings the charges—and the Senate acts as a court to determine whether or not he is guilty and should be removed from office. The Constitution states that an officer may be impeached for treason, bribery, or other high crimes and misdemeanors.

**Indictment:** A formal statement charging a person or persons with an offense.

**Litigation:** A suit at law.

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## 8 THE SECURING OF RIGHTS

Much of the subject matter of this book deals with one aspect or another of the increasing intensification of social forces by which the group extends and maintains control over its individual members. The domination of the individual by social forces, however, has not become absolute in the United States. The limitations of group control—that is, the protection of the individual from excesses of group authority—is the major topic of this chapter and the next. In the present chapter, the topic is considered from a general point of view; in the following one, the rights of members of minority groups are discussed.

The individual member of society lays claim to certain rights. He is more than a cog in a machine; he is a person and has developed for himself an area of freedom and rights. The extension and limitation of the boundaries of this area are of fundamental concern in any discussion of society.

Individual rights may be divided into two main categories—civil and political. Civil rights are those individual rights over which the government may not arbitrarily extend its authority. They guarantee the liberty or freedom of the individual for self-expression and for action. But this limitation of government does not mean that civil rights are absolute—as we shall see, they may be limited under special circumstances. Political rights are those individual rights that are related to governmental processes, such as voting and holding public office.

In the present chapter, the word *securing* means protecting or defending those rights held by the individual. We shall discuss first the bases for individual rights; second, certain of the fundamental civil rights as they are related to selected areas of human activity; third, political rights; and finally, some basic principles in safeguarding individual rights.

## BASES FOR RIGHTS

One of the bases for rights is the laws of nature. That is, certain rights are inherent privileges of mankind. Natural rights have been discussed in Chapter 17, Volume I, in connection with the attack on absolutism by John Locke. Many philosophers of the seventeenth and eighteenth centuries held that to deprive a person of these rights was wrong. They were to be yielded only by consent of the people, for the greater good of society. Law and the state, then, do not create natural rights. They exist in the very nature of man. A complete enumeration of these rights has not been undertaken, but usually they are considered to be life, liberty, and property.

A constitution provides another basis for rights. That is, certain rights are guaranteed by a constitution. Since constitutional rights are those most emphasized in the United States, we shall give them considerable attention in this and the following chapters. The framers of the national Constitution believed the provision they made for limited government to be sufficient protection of individual rights from arbitrary governmental authority. In this area, therefore, only a few restrictions were placed in the original Constitution upon the national and State governments. The demand for specific guarantees of individual liberty was so great, however, that the original document was amended in 1791 to provide these guarantees. They are included in the first Ten Amendments, which are known collectively as the Bill of Rights. The First Amendment guarantees freedom of religion, speech, press, peaceful assembly, and petition. The Second and Third preserve a person's right in regard to bearing arms and quartering militia. The Fourth states that the security of persons and their homes shall be protected against unreasonable searches and seizures. The Fifth, Sixth, Seventh, and Eighth outline the procedures to which civil officials must conform to preserve the rights of persons transgressing the law. The Ninth makes clear that the rights enumerated in the Constitution are not all of the rights of the people, for it reads: "The enumeration . . . of certain rights shall not be construed to deny or disparage others retained by the people." The Tenth reserves to the States or to the people all power not delegated to the national government.<sup>1</sup>

These rights are not guaranteed in any absolute sense. As interpreted by the Supreme Court of the United States, the Bill of Rights

<sup>1</sup> The complete text of the Bill of Rights is printed at the end of this chapter.

places restrictions upon the actions of the national government, not upon State governments.<sup>2</sup> (Each State, however, has adopted a bill of rights as a part of its constitution, protecting individual liberties against action of the State government.) The Fourteenth Amendment, adopted in 1868, contains two clauses that do restrict the action of State governments in the area of individual rights. These clauses are "... nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws." Since 1925, a number of Supreme Court decisions have interpreted the word "liberty" and the "due process" clause in this amendment to include some, but not all, of the individual rights guaranteed in the national Bill of Rights, particularly those of the First Amendment—freedom of religion, speech, press, assembly, and petition. Through interpretation of the Fourteenth Amendment, therefore, some of the restrictions placed on the national government by the Bill of Rights have been extended to restrict State governments. Not all of the constitutional rights are found in the Bill of Rights; we shall find it necessary to refer to other sections of the Constitution in the discussion of certain rights.

Law enacted by legislative bodies serves as a third basis for rights—statutory rights. For example, nowhere in the Constitution or in the discussions of natural rights is reference made to the right of employment without discrimination. Some States, however, have passed legislation to prevent discrimination in employment because of race, color, creed, or national origin. Thus, the right to a fair chance of employment is a statutory right.

In the following discussion of rights, reference will be made to cases that have come before the Supreme Court of the United States and to its interpretations of the rights involved. These are not the only pertinent cases that have come before the Court, of course; they have been selected to illustrate basic developments that have taken place in the area of rights.

## RIGHTS RELATING TO RELIGIOUS AND SECULAR EXPRESSION

One of the areas in which the civil rights of persons have received considerable attention is that of religious and secular expression.

<sup>2</sup> *Barron v. Baltimore*, 7 Peters (U.S.) 243 (1833) and *Twining v. New Jersey*, 211 U.S. 78 (1908).—



## Freedom of Religion

The First Amendment to the Constitution prohibits Congress from passing any law "respecting an establishment of religion, or prohibiting the exercise thereof." In 1940, the Supreme Court, using the Fourteenth Amendment, extended this restriction to the States. In the case of *Cantwell v. Connecticut*,<sup>3</sup> the Court said: "The fundamental concept of liberty embodied in the Fourteenth Amendment embraces the liberties guaranteed by the First Amendment. . . . The Fourteenth has rendered the legislatures of the states as incompetent as Congress to enact such laws." Provisions similar to those of the First Amendment are contained in the constitutions of all States.

Although religious freedom generally is unrestricted, some limitations have been placed on the exercise of this right. For example, the Supreme Court has stated that the constitutional guarantee does not extend the right to violate a criminal law because of religious belief; the former practice of polygamy by Mormons is therefore not protected by the Bill of Rights.<sup>4</sup> Neither does religious belief excuse a person from compulsory military service<sup>5</sup> nor from compulsory military drill in a university,<sup>6</sup> although in the case of military service, conscientious (religious) objectors have been excused, by act of Congress, from combat service in both World Wars I and II.

In recent years, a number of cases have come before the courts concerning religious freedom, particularly in connection with a religious group called Jehovah's Witnesses. In these cases, judicial interpretation of this freedom has been broad, often restraining legislative efforts to restrict the activities of the Witnesses. For example, in 1943, municipal ordinances requiring licenses for dispensers of religious pamphlets were held unenforceable.<sup>7</sup> The most spectacular issue of religious freedom raised by the Jehovah's Witnesses was in connection with the compulsory salute to the flag. The Witnesses maintain that their creed forbids their pledging allegiance to the flag, holding that it is the same as worshipping an image or idol. The children who refused to take part in the flag saluting ceremony often were expelled from schools and sometimes were punished. The Jehovah's Witnesses contended that such ac-

<sup>3</sup> 310 U.S. 298 (1940).

<sup>4</sup> *Reynolds v. United States*, 98 U.S. 145 (1878).

<sup>5</sup> *Archer v. United States, The Selective Draft Law Cases*, 243 U.S. 366 (1918).

<sup>6</sup> *Hamilton v. Regents of University of California*, 293 U.S. 245 (1934).

<sup>7</sup> *Murdock v. Pennsylvania*, 319 U.S. 105 (1943).

tions were violations of their right to religious freedom. In 1940, the Supreme Court decided against the religious sect,<sup>8</sup> but in 1943 reversed its decision and upheld the rights of the Witnesses in this matter.<sup>9</sup>

### *Freedom of Speech and Press*

The constitutional guarantee of speech and press does not give complete or absolute freedom of expression—some limitations are placed upon printed and spoken statements. For example, this right does not include the right to publish obscene and indecent material, to incite insurrection or violence, to libel or slander others, or to advocate the overthrow of the government.

The Supreme Court has stated two general principles in its endeavors to fix the limits of speech and press for the preservation of the government. In 1919, the "clear and present danger" doctrine was stated for the Court by Justice Oliver Wendell Holmes: "The question in every case is whether the words used are used in such circumstances and are of such a nature as to create a clear and present danger that they will bring about the substantive evils that Congress has a right to prevent."<sup>10</sup> In applying the "clear and present danger" doctrine, the Court takes into consideration circumstances, such as the time at which the speech or material is given or written, the place at which the speech is made, who hears the speech or reads the material, and the way in which the speech or material is received by the listeners or readers, to determine whether there is reason to believe that the *advocacy* of the threatened evil—for example, the overthrow of the government by force or violence—would actually cause it to happen.

In 1925, in the case of *Gitlow v. New York*,<sup>11</sup> the Court stated the "bad tendency" rule. Gitlow had circulated pamphlets urging the overthrow of the government by the use of violence. The content and method of distribution of the pamphlets offered no real threat to the government, and no violence resulted. The majority of the justices, however, held that even though no likelihood of imminent revolution resulted, the pamphlets had a "bad tendency." Obviously, the "bad tendency" rule restricted freedom of expression more than the "clear and present danger" doctrine. In later cases, however,

<sup>8</sup> *Minersville School District v. Gobitis*, 310 U.S. 586 (1940).

<sup>9</sup> *West Virginia Board of Education v. Barnette*, 319 U.S. 624 (1943).

<sup>10</sup> *Schenck v. United States*, 249 U.S. 47 (1919).

<sup>11</sup> 268 U.S. 652 (1925).

the Court has followed the "clear and present danger" doctrine rather than the "bad tendency" rule.

No right illustrates a greater variability with change in time and public opinion than freedom of speech and press. The molding of this freedom by events of the moment again illustrates the fact that rights are not absolute but relative. During wartime or tense international situations, for example, the demands of public safety and national security have led to limitations on individual rights, especially the rights of free speech and press. Newspapers were suppressed and editors were arrested in danger zones during the Civil War. Both State and national legislation limited freedom of expression during World War I. The Sedition Act of that time was so severe that court convictions harshly restricted civil liberties. The temper of the time is well summarized by Zechariah Chafee, Jr.:

It became criminal to advocate heavier taxation instead of bond issues, to state that conscription was unconstitutional though the Supreme Court had not yet held it valid, to say that the sinking of merchant vessels was legal, to urge that a referendum should have preceded our declaration of war, to say that war was contrary to the teachings of Christ.<sup>12</sup>

The restriction on freedom of expression in World War II was not as severe as in World War I, but even so, the crisis brought legislation and action that restricted some rights. The Smith Act of 1940, applicable in times of both war and peace, makes it a criminal offense to teach or advocate overthrow of the government by violence or force or to organize or assist in organizing any group for this purpose. Following the war, the tension between the United States and Soviet Russia caused public opinion to advocate controls over the communists and their activities in the United States. With the outbreak of the Korean War in 1950, the Internal Security Act of 1950, popularly known as the McCarran Act, was passed for this purpose. This Act is not only long and complicated but also controversial in that the wording is ambiguous, requiring elaborate judicial interpretation. In general, the law is directed toward the control of communistic and subversive activities within the United States and affirms that the world communist movement and its adherents in this country present "a clear and present danger to the security of the United States." One section of the Act goes beyond the Smith Act by making it a crime, punishable by up to ten years

<sup>12</sup> Zechariah Chafee, Jr., *Free Speech in the United States* (Cambridge, Mass.: Harvard Univ. Press, 1941), p. 51.

in prison and a fine up to \$10,000, for any person knowingly to conspire "to perform any act which would substantially contribute to the establishment within the United States of a totalitarian dictatorship the direction and control of which is to be vested in . . . any foreign government, foreign organization, or foreign individual."

In 1954, Congress enacted legislation extending governmental control over subversive activity. A provision of one act, which outlaws the Communist Party in the United States (see Chapters 24, Volume I, and 9, Volume II), makes all Communist Party members subject to the Internal Security Act of 1950 and requires them to register their names with the national government. Further legislation the same year imposed other regulations and restrictions on subversive activity—for example, requiring the registration and disclosure of location of printing equipment used by communist agencies, permitting the death penalty to be imposed on persons convicted of espionage during times of peace, and depriving communist conspirators of United States citizenship.

Critics of the 1950 law and of the legislation of 1954 contend that these acts of Congress abrogate the freedom of speech and press, and that persons will not dare advocate even mild reforms and will be reluctant to join any progressive group for fear of being accused of violating some provisions of these laws. Proponents of the laws deny that such possibilities will develop, since persons may go as far as they like in advocating reforms as long as they are loyal to the United States. Supporters of these laws also maintain that it is especially desirable for people to be exceedingly careful in affiliating with groups that may be communist controlled.

### *Right of Assembly and Petition*

The right of assembly, like freedom of speech and press, is relative and operates within reasonable limits. For example, it does not entitle any group to hold violent or disorderly meetings. In order to protect public safety and order, therefore, cities may require a group to have a permit from city officials in order to hold a public meeting. Arbitrary denial of the right of peaceful assembly or punishment for attending public meetings, however, violates the First Amendment. On occasions, city officials have been overzealous in regulating and prohibiting group meetings, and as a result cases have come before the Supreme Court and precedents have been established regarding the right of assembly.

The case of *Hague v. Congress of Industrial Organizations*<sup>13</sup> illustrates some of the aspects of the right of assembly. This case involved a suit brought by the CIO against the mayor of Jersey City, New Jersey, regarding the right to hold meetings in a public park to explain the National Labor Relations Act of 1935, to help organize labor unions, and to advocate collective bargaining. The CIO had been denied a permit to hold the meetings. The organization maintained that since the purposes of the meetings were lawful and since its meetings elsewhere had not been accompanied by violence, it had a right to hold them. The Supreme Court held that the right of peaceful assembly did apply to this situation and that a city ordinance could not arbitrarily deny permits for holding peaceful meetings. In the Court's decision, Justice Owen Roberts stated that

wherever the title for streets and parks may rest, they have immemorially been held in trust for the use of the public and, time out of mind, have been used for purposes of assembly, communicating thoughts between citizens, and discussing public questions. Since ancient times, such use of the streets and public places has been a part of the privileges, immunities, rights, and liberties of citizens. The privilege of a citizen of the United States to use the streets and parks for communication of views on national questions may be regulated in the interests of all; it is not absolute, but relative, and must be exercised in subordination to the general comfort and convenience, and in consonance with peace and good order; but it must not, in the guise of regulation, be abridged or denied.

Under the right of petition, the government, particularly the legislative branch, is deluged with petitions and resolutions on every conceivable kind of subject. Of necessity, these petitions receive little or no formal consideration. They merely take their place with other types of expression that eventually may be used in the determination of public policy.

## RIGHTS AND SECURITY OF THE PERSON

A second area of civil rights is the security of the individual as a person. These rights concern personal freedom and equal protection and safety of the person.

### *Freedom from Slavery and Involuntary Servitude*

The Thirteenth Amendment (1865) guarantees that no person shall be held in slavery or involuntary servitude, except for punish-

<sup>13</sup> 307 U.S. 496 (1939).

ment of crime, in any place under the jurisdiction of the United States. This constitutional amendment has been interpreted broadly by the Supreme Court. For example, a person cannot legally be held to labor against his will to pay a debt. In 1942, the Supreme Court ruled that, regardless of State and national statutes on this subject, such forced labor violates the Thirteenth Amendment.<sup>14</sup> Even if a contract has been signed pledging labor to remove indebtedness, the debtor may ignore the contract, although, of course, he may be sued for monetary damages. On the other hand, it is not considered involuntary servitude if a person is held for a period of service for which he has contracted if that service has "from time immemorial been treated as exceptional"—for example, seaman's service.<sup>15</sup> Furthermore, neither compulsory military service<sup>16</sup> nor jury service<sup>17</sup> (considered duties which the individual owes the state) is involuntary servitude.

### *Equal Protection of the Laws*

As was stated previously, one of the provisions of the Fourteenth Amendment is that no State<sup>18</sup> shall "deny to any person within its jurisdiction the equal protection of the laws." Originally, this provision was intended to assure for Negroes equality with other citizens before the law. By interpretation, this right has come to have a general application, protecting all persons in the same general situation from arbitrary and unreasonable discrimination and classification by State and local governments. Although no specific equal protection clause applies to the national government, equal protection has been interpreted to be a part of the due process of law clause of the Fifth Amendment (to be discussed subsequently) and applies therefore to the national government as well as to the State and local governments.

Under the equal protection clause, any classification of persons by legislatures must be "reasonable"—that is, it must be related to the objectives of the particular law and must provide equal treatment within the classes. Some examples of "reasonable" distinctions are distinguishing between aliens of enemy nationality and other aliens, distinguishing war veterans from other persons in some kinds

<sup>14</sup> *Taylor v. State of Georgia*, 315 U.S. 25 (1942).

<sup>15</sup> *Robertson v. Baldwin*, 165 U.S. 275 (1897).

<sup>16</sup> *Arver v. United States*, 245 U.S. 368 (1916).

<sup>17</sup> *United States v. Brooks*, 324 U.S. 878 (1945).

<sup>18</sup> The word State in the Fourteenth Amendment has been interpreted to include the political subdivisions of the State—for example, counties and cities—as well as the State central government.

of legislation, and classifying persons employed by the national government apart from others with respect to limitations on political activity.

Discrimination between and classification of persons based on race generally have been held to be "unreasonable" by the Supreme Court. Segregation of Negroes has been questioned in the courts on the grounds that it is discrimination and therefore denies equal protection of the laws. In 1896, the Supreme Court enunciated the "separate but equal" doctrine for segregation regulations in public conveyances.<sup>19</sup> This doctrine has meant that segregation is not unreasonable if facilities available to Negroes are substantially equal to those of the general public. On the basis of this doctrine, segregation has been practiced in other public facilities—for example, public schools, colleges and universities, theaters, parks, swimming pools, waiting rooms, hotels, restaurants, and hospitals.

In May, 1954, the United States Supreme Court by a unanimous vote renounced the "separate but equal" doctrine in the area of public education, and segregation in public schools on the basis of race was declared unconstitutional on the grounds that such segregation violates the equal protection of the laws clause of the Fourteenth Amendment.<sup>20</sup> (Since the Fourteenth Amendment applies only to the States, the Court declared segregation in the public schools in the District of Columbia unconstitutional on the grounds that it violated the due process clause of the Fifth Amendment, which applies to the national government.) In the opinion written for the Court, Chief Justice Earl Warren said: "We conclude that in the field of public education the doctrine of 'separate but equal' has no place. Separate educational facilities are inherently unequal. Therefore, we hold that the plaintiffs and others similarly situated for whom the actions have been brought are, by reason of the segregation complained of, deprived of the equal protection of the laws guaranteed by the Fourteenth Amendment." At the time of the decision, seventeen States required segregation and four States permitted it on an optional basis.

Undoubtedly cases will come before the Court questioning the application of the "separate but equal" doctrine in other areas, and it is likely, in view of the 1954 decision, that the Court will re-

<sup>19</sup> *Plessy v. Ferguson*, 163 U.S. 537 (1896).

<sup>20</sup> Five cases, originating in Kansas, South Carolina, Virginia, Delaware, and the District of Columbia, were involved in the Court's decision, but they were dealt with collectively. The decision is cited as *Oliver Brown et al. v. Board of Education of Topeka, Shawnee County, Kansas, et al.*, 347 U.S. 483 (1954).

nounce the doctrine in other areas where public law is concerned.

Equal protection of the laws is a kind of equality that is being more nearly approached as time goes by. This is indicated in other decisions of the Supreme Court, as well as in the school segregation decision—for example, in 1950 a decision virtually invalidated all forms of discrimination against colored people on interstate transportation facilities.<sup>21</sup> Furthermore, decisions of the Court (before the school segregation decision) affected the status of Negroes in institutions of higher learning. These decisions, which we shall discuss in the following chapter, led to the opening to Negroes of regular State graduate and professional schools in colleges and universities of twelve Southern States.

### *Searches and Seizures*

According to the Fourth Amendment, the people of the United States have a right "to be secure in their persons, houses, papers and effects against unreasonable searches and seizures. . . ." Until 1949, this restriction upon governmental action applied only to the national government. In the *Wolf v. Colorado* case,<sup>22</sup> the Supreme Court stated that "the security of one's privacy against arbitrary intrusion by the police" is implicit in the concept of "liberty" and, therefore, is enforceable against State governments through the due process clause of the Fourteenth Amendment.

A search may be made legally when a search warrant authorized by a court describes the place to be searched and names the person or object to be seized. If an immediate search is necessary, it may be made without a warrant. The officials making the search, however, must be reasonably certain that the search and seizure are justified. Search of boats, automobiles, airplanes, and other vehicles may be made without warrant, since delay would make possible an escape from the officers.

One of the most confusing and controversial issues involved in the protection of people from unreasonable search and seizure is the use of wire tapping and other mechanical devices by police to intercept private communications for evidence in criminal cases. In the first case brought before the Supreme Court in 1928,<sup>23</sup> the ruling was that the guarantee against unreasonable search did not ban the use of wire tapping to obtain evidence, since there was no

<sup>21</sup> *Henderson v. United States*, 339 U.S. 816 (1950).

<sup>22</sup> 338 U.S. 25 (1949).

<sup>23</sup> *Olmstead v. United States*, 277 U.S. 438 (1928).



actual house entry and no physical seizure. The issue was raised again after the passage of the Federal Communications Act of 1934. This Act provided that ". . . no person, not being authorized by the sender, shall intercept any communication and divulge or publish the existence, contents, substance, purport, effect or meaning of such intercepted communication to any person. . . ." In 1937, the Supreme Court held, in the case of *Nardone v. United States*,<sup>24</sup> that this section of the Act forbade wire tapping by national government agents, as well as other persons, and that a recording obtained by wire tapping could not be used as evidence in national courts. The use of a detectaphone (a mechanical device by which agents can pick up conversations on another side of a partition) to obtain evidence, however, was sanctioned by the Court in 1942 on the grounds that divulgence of a person's telephone conversation overheard as it was spoken into a telephone or of a conversation between two or more persons was not an interception of communication.<sup>25</sup> Evidence obtained by the use of a radio receiver to transmit a direct conversation between persons also may be used in national courts, since the Supreme Court has ruled that there is "no interference with any communication facility" in such a situation.<sup>26</sup>

In 1949, a case before the Supreme Court involved the question of admitting evidence in State courts obtained by unreasonable search and seizure.<sup>27</sup> The Court declared that the Constitution of the United States did not forbid the use of such evidence in a prosecution for a State crime in a State court. In 1952, the Court ruled further, in the case of *Schwartz v. Texas*,<sup>28</sup> that the Federal Communications Act of 1934 did not apply to State proceedings, and that evidence obtained from wire tapping may be used in a State criminal trial without violating the Constitution.

At present, wire tapping is used by national officers and by officers in some States. The United States Department of Justice maintains that the Federal Communications Act of 1934 does not bar the interception of messages alone, but only interception and divulging, and that "divulging" does not occur when an agent reports the content of a tapped telephone conversation to another agent (his superior). In some States, wire tapping is forbidden, but in others, wire tapping is permissible under specified conditions—for example, to de-

<sup>24</sup> 302 U.S. 379 (1937).

<sup>25</sup> *Goldman v. United States*, 316 U.S. 129 (1942).

<sup>26</sup> *On Lee v. United States*, 343 U.S. 747 (1952).

<sup>27</sup> *Wolf v. Colorado*, 338 U.S. 25 (1949).

<sup>28</sup> 344 U.S. 199 (1952).

tect crime, or under permission from a court, or by authorization from the State Attorney General or a district attorney.

### *Bills of Attainder and ex post facto Laws*

A bill of attainder is a legislative act that inflicts punishment on a person without judicial proceedings. Such acts are forbidden to both State and national legislative bodies by the Constitution of the United States (Article I, Sections 9 and 10). For example, in 1943 Congress by law, in the form of a rider to an appropriations bill, denied three employees of the Federal Communications Commission their salaries as a means of "purging" them from the public service because of alleged subversive activities. The Supreme Court held this action to amount to a bill of attainder, since it "clearly accomplishes the punishment of named individuals without a judicial trial," and the part of the congressional act applying to the three employees was declared unconstitutional.<sup>29</sup>

The Constitution of the United States also denies to both national and State governments the power to pass *ex post facto* laws, which make an act a crime that was "innocent when done" (Article I, Sections 9 and 10). Nor may laws increase the punishment for an act and apply the more drastic punishment to an act committed when the less drastic punishment was in effect. Civil laws, however, may reach back in their application to a time prior to the date of enactment, and criminal laws may do the same if the effect is to the advantage of the accused person.

## RIGHTS AND THE JUDICIAL PROCESS

The third area of civil rights concerns judicial processes. In the main, the Fifth, Sixth, Seventh, and Eighth Amendments in the Bill of Rights cover this area, although some of these rights are found in other parts of the Constitution, as well as in the State constitutions. As in the case of the right to security of the person, some of the rights relating to judicial processes are explicit and easily explained but some are general and may be altered by court interpretations with changing social conditions.

### *Habeas Corpus*

One of the most important rights in the Anglo-American legal system is the right to the writ of habeas corpus. The development

<sup>29</sup> *United States v. Lovett*, 328 U.S. 303 (1946).

of this right and its place in English history were discussed in Chapter 18, Volume I. As we noted there, it was one of the fundamental rights that the colonists maintained as a part of their legal heritage from the Mother Country. The Constitution states: "The privilege of the writ of habeas corpus shall not be suspended, unless when in cases of rebellion or invasion the public safety may require it." (Article I, Section 9) State constitutions have provisions that place similar limitations upon State governments.

By invoking the right to a writ of habeas corpus, a person arrested or detained on suspicion of crime may demand an immediate hearing to determine whether there is adequate cause for his detention. At this hearing, the judge will determine if the person is being held legally. If there is not adequate cause for holding him, the court will order his release; otherwise, he will be held for trial or released on bail. This privilege protects a person from arbitrary arrest and imprisonment.

Although the Constitution provides for the suspension of the writ, it does not state definitely who may suspend. At the outbreak of the Civil War, the writ was suspended by President Lincoln, and Congress later confirmed his action. In a case arising from this action, the Supreme Court ruled that Congress has the authority to suspend the writ and that it may give this authority to the President.<sup>30</sup>

### *Indictment and Witnesses*

The Fifth Amendment provides that no person shall be held for a capital or otherwise infamous crime except by an indictment by a grand jury. (This provision does not apply to cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger.) A capital crime is one punishable by death, and an infamous crime is, technically, an offense punishable by imprisonment in a penitentiary for a term exceeding one year, or by bard labor. A grand jury indictment is not necessary for misdemeanors (minor offenses). In national government criminal procedure, the grand jury consists of from sixteen to twenty-three persons, who decide whether or not sufficient evidence is presented, usually by a United States District Attorney, to justify bringing a person to trial. The main objective of this procedure is to protect a person from arbitrary prosecutions.

Indictment by grand jury is an English common law procedure that has been adopted by many of the States, as well as by the na-

<sup>30</sup> *Ex parte Milligan*, 71 U.S. 2 (1866).

tional government. In some States, however, the grand jury investigation is replaced by an "information," or formal charge, filed by the prosecuting attorney against a person suspected of crime. Most of these States use both indictment by a grand jury and an information, while a few use only an information.

In criminal prosecutions in the national courts, the Fifth Amendment provides that an accused person cannot be compelled to be a witness against himself. If he waives this right and takes the witness stand, he can be cross-examined by the prosecutors. Furthermore, according to the Sixth Amendment, the accused person must be confronted with the witnesses against him. Thus he is guaranteed the right of knowing his accusers and of hearing what they have to say against him. He also is given the right to obtain witnesses in his own behalf and to compel them to testify in court. In national government proceedings, however, a witness may refuse to answer any question on the grounds of self-incrimination—that is, that by answering the question he might give evidence that would be used against him in future criminal proceedings. When a witness claims self-incrimination, the judge decides upon the validity of his claim. State constitutions provide similar rights for the accused in criminal prosecutions in State courts, although in general the State rules regarding self-incrimination are not as stringent as those of the national government.

In 1954, Congress passed a law modifying the right of a witness to refuse to answer questions on the grounds of self-incrimination. This law extends to witnesses, when testifying in national security matters, immunity from criminal prosecution for any testimony that they give. Immunity can be granted by Congress by a majority vote and by a congressional committee by a two-thirds vote of the full committee. Neither Congress nor a congressional committee can grant immunity to any witness, however, without first notifying the Attorney General of the United States of such action and without obtaining the approval of a United States District Court. The law provides further that United States courts may grant such immunity to witnesses appearing before them or before grand juries. If a person refuses to testify after being granted immunity, he may be prosecuted for contempt of court. The purpose of this law is to compel witnesses to testify about subversive activity in the United States. No longer can a reluctant witness be protected by the Fifth Amendment when given immunity from criminal prosecution for any testimony that he gives in matters relating to national security.

### *Trial by Jury*

As we have seen, the purpose of indictment, by either grand jury or information, is to make a formal charge against a person suspected of crime. The trial, or petit, jury determines whether or not the accused person is guilty of the charge. Trial by jury in the United States is based upon English common law and is provided for in the national Constitution. Article III, Section 2, states: "The trial of all crimes, except cases of impeachment, shall be by jury; and such trial shall be held in the State where the said crimes shall have been committed. . . ." Again in the Sixth Amendment, the Constitution provides for "a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed" in all criminal prosecutions, and for trial by jury in civil cases in which the value in controversy exceeds \$20.00. State constitutions also provide for trial by jury. The right may be waived in national courts and in most State courts if the defendant desires. Furthermore, jury trial is not required for petty offenses (misdemeanors), in equity cases, and in cases of contempt of court. The trial jury is made up of twelve persons, who must agree unanimously for a verdict.

The institution of a trial jury presupposes an equal distribution of the duty, also considered a privilege, of jury service. For example, the Supreme Court has ruled that States cannot deliberately exclude persons from a jury because of race and economic status.<sup>31</sup> The question of the validity of a New York statute fixing requirements for eligibility for the panel from which jurors were chosen for certain more important or more technical cases came before the Supreme Court in 1947, and the statute was upheld on the grounds that insufficient evidence of discrimination had been shown.<sup>32</sup> The law sets up qualifications of property, intelligence, literacy, and other standards for jurors serving in the State courts in the county and city of New York. From this pre-established panel can be drawn what is called the "blue ribbon jury" on a court order showing intricacy and importance of the case. In this connection, the Court said in part: "We cannot overlook the fact that one of the features which has tended to discredit jury trials is interminable examination

<sup>31</sup> Among the cases in which the Court has made these rulings are *Norris v. Alabama*, 294 U.S. 587 (1935); *Patton v. Mississippi*, 322 U.S. 463 (1947); *Cassell v. Texas*, 339 U.S. 282 (1950); and *Thiel v. Southern Pacific Company*, 328 U.S. 217 (1946).

<sup>32</sup> *Fay v. New York*, 332 U.S. 261 (1947).

and rejection of prospective jurors. In a metropolis with notoriously congested court calendars we cannot find it constitutionally forbidden to set up administrative procedures in advance of trial to eliminate from the panel those who, in a large proportion of cases, would be rejected by the court after its time had been taken in examination to ascertain the disqualifications." The "blue ribbon jury" is an attempt to meet the constitutional requirement of a speedy trial. Opponents of the "blue ribbon jury" say that although it saves time, it is undemocratic.

### *Counsel and Fair Bail*

The Sixth Amendment gives persons accused of criminal acts the right to assistance of defense counsel. If compensation for such legal aid cannot be paid by the accused, the court supplies counsel at public expense. When the case is of such a nature that the public interest is not threatened, an accused person may be freed on bail—that is, something pledged as security to guarantee the appearance of a person in court—until the time of his trial. The bail, however, must not be excessive (Eighth Amendment), the amount being determined by the nature of the offense. In capital crimes, the judge may refuse to release the accused on bail. State constitutional provisions for the rights of counsel and of fair bail are substantially the same as those of the national Constitution.

### *Double Jeopardy*

The Fifth Amendment states that no person shall be "twice put in jeopardy of life and limb" for the same offense. Even if new and completely damaging evidence is available, the person who has been tried and acquitted cannot be tried again for the same crime. Thus the innocent are spared the agony of retrials which, in the long run, would constitute punishment, and civil officials cannot use the notoriety of retrials for political advancement. The Supreme Court has ruled that the double jeopardy provision of the Fifth Amendment is not incorporated in the Fourteenth;<sup>33</sup> therefore, this provision does not restrict State governments. All State constitutions, however, have similar provisions to limit the actions of State governments.

In actual practice, the restraint placed upon government by these provisions is not as restrictive as might appear. For example, the same person may be retried for the same offense in the event of

<sup>33</sup> *Palko v. Connecticut*, 302 U.S. 319 (1937).

appeal to a higher court. A person may be tried and punished by a State and upon release may be submitted to the same procedure by the national government if the offense has transgressed a national statute. Furthermore, legal procedure has become so intricate that a criminal act that seems to be a single offense may be defined by law as several offenses. For example, robbing a store may include a number of criminal acts—illegal entry, theft, disposal of stolen goods, and transportation of stolen goods across State lines. A person who is tried and acquitted for one of these offenses may be tried separately for each of the others, all of which were involved in the single act of robbing a store.

### *Due Process of Law*

A person may not be deprived of "life, liberty, or property without due process of law" by either the national government (Fifth Amendment) or by the State governments (Fourteenth Amendment). Although "due process of law" has not been defined completely, in general it prohibits government from arbitrarily taking a person's life, liberty, and property, and it applies to corporations (legal persons), as well as to individuals.

Due process of law guarantees certain judicial procedures (procedural due process) and denies the use of others. Even though it has refused to define due process completely, in numerous cases, the Supreme Court has determined some of these judicial procedures. In 1908, the Court stated that "the full meaning should be gradually ascertained by the process of inclusion and exclusion in the course of decisions in cases as they arise."<sup>34</sup> These are some of the required judicial procedures: (1) a fair trial must be given; (2) the court or agency conducting the trial must have jurisdiction over the case and parties; (3) the defendant must be given reasonable notice of the trial; (4) the defendant must be allowed to present his side of the case; and (5) counsel must be provided. "Fair" trial does not necessarily mean trial by jury. When there is constitutional guarantee of a jury trial, however, it must be given, provided the defendant does not waive this right. Otherwise, a fair trial may be one without the use of a jury. Neither does procedural due process include indictment by a grand jury. Therefore, although this procedure is required of the national government, the States are not compelled by the Fourteenth Amendment to use indictment by grand jury. Procedural due process restricts administrative

<sup>34</sup> *Twining v. New Jersey*, 211 U.S. 78 (1908).

as well as judicial officers. For example, if a State board revokes a pharmacist's license to practice, he must be notified and must be given a hearing before the board.

In the latter part of the nineteenth century, due process developed beyond the area of judicial procedures into consideration of the question of the substantive nature of legislative acts—that is, the content of the laws themselves. The United States Supreme Court has assumed that due process requires a law to contain "fair" or "reasonable" subject matter, as well as being nondiscriminatory when enforced. In other words, any regulation by a government must be a legitimate function of that government, must operate equally among those affected, and must be exact enough to guide conduct clearly. This interpretation has placed the police power of government under some restraint—particularly at the State level, because there it is used more often. The police power is a broad but not well-defined power to regulate in the interests of the safety, health, morals, and general welfare of the public. Among the State laws enacted under the police power are those dealing with maximum hours of labor, minimum wages, conditions of employment, restrictions on the employment of children and women, traffic regulations, quarantine of persons having communicable diseases, and pure food and drug control.

To illustrate substantive due process, let us suppose that a State passes a law limiting conditions of employment, to which law an employer objects. He could challenge the law in the courts on the grounds that it constitutes a deprivation of liberty without due process of law. If the Supreme Court confirms this contention, the law would be declared unconstitutional. Many State laws passed under the authority of the police power have been held to be "reasonable" by the Supreme Court. Whether or not legislation is "reasonable" depends in large part upon what the Supreme Court decides in the particular case; decisions change with changes in time and circumstances.

## POLITICAL RIGHTS

The right of participation in elections, election campaigns, political organization activities, and candidacy for public office is characteristic of a democratic society. With some exceptions, these political rights are extended broadly in the United States. Such rights, however, are commonly considered to be privileges and



duties, as well as rights. One of the ways in which they differ from the individual rights we have been discussing is that they are not extended to all persons—for example, the right to vote is generally restricted to citizens over twenty-one years of age. The right to vote, however, is a legal right of the eligible citizen in that it is given to him by law, and if he can meet the requirements for voting established by the law, this right is protected by the courts.

### *Constitutional Provisions*

The Constitution of the United States does not confer the right to vote, and it does not define the electorate for either national or State elections. At the Constitutional Convention in 1787, one group supported a proposal to extend the suffrage (the right to vote) to the "people." Others in the Convention opposed this proposal and attempted to establish an elective process by which the members of both houses of Congress would be elected by the State legislatures or by the landowners. As finally written, the Constitution provided for the members of one house—the Senate—to be elected by State legislatures<sup>35</sup> and for permitting the States to establish their own qualifications for voting for members of the House of Representatives. The only protection of political rights in the original Constitution applies in the national election of members of the House of Representatives: a State cannot restrict voting for members of the House of Representatives to any greater extent than it restricts voting for members of its own larger legislative house. This provision made it possible, of course, for the States to impose suffrage restrictions.

Since the Civil War, amendments to the Constitution have limited the State's power to impose suffrage restrictions. One of these amendments—the Fifteenth, adopted in 1870—states that the right of citizens to vote "shall not be denied or abridged on account of race, color, or previous condition of servitude." The South was not willing to recognize the equal suffrage rights contained in this Amendment, and in many of the Southern States, laws were passed to prevent the Negro from voting. Some of these laws contained what became known as "grandfather clauses." By these clauses, a man could become a permanently registered voter without meeting literacy, tax-paying, residence, and other requirements if he, his

<sup>35</sup> The Seventeenth Amendment, adopted in 1913, provides for the election of a Senator by a vote of the people of his State. The qualifications for voting for Senators are the same as those for the voters of the larger branch of the State legislature.

father, or grandfather had voted on or before January 1, 1867. Since the first congressional Negro suffrage act had not become law until March, 1867, obviously no Negro could get his name on the registration list without meeting the voting qualifications provided by State laws. Most such clauses were for a limited time; therefore, only a few of them were in effect when in 1915 the Supreme Court ruled that such restrictions were in conflict with the Fifteenth Amendment and hence unconstitutional.<sup>36</sup> We shall discuss other aspects of limiting the Negro vote in the following chapter.

The Nineteenth Amendment (1920) gives women equal suffrage with men, stating that the right of citizens to vote "shall not be denied or abridged by the United States or by any State on account of sex." A long period of agitation for woman suffrage had preceded the adoption of this Amendment. The Western States led in the movement, and several States had adopted equal suffrage before the Amendment.

The "equal protection of the laws" guarantee to all persons by the Fourteenth Amendment has been interpreted by the Supreme Court to prohibit the States from making "unreasonable" classifications of persons in their suffrage legislation. But the States have the power to establish qualifications for voting in both State and national elections, subject only to these limited constitutional restrictions. It should be noted that the Fifteenth and Nineteenth Amendments actually do not give all Negroes or all women the right to vote but rather prohibit the States from restricting persons from voting because of race, color, previous condition of servitude, or sex.

### *State Qualifications for Voting*

All States have placed some restrictions, within the limitations placed upon them by the national Constitution, on the right to vote. Through the years, however, the trend has been toward liberalizing the vote rather than restricting it. For example, the State constitutions that went into effect during the Revolutionary War all restricted white manhood suffrage by property qualifications. In most States, voters were required to own land of a certain value. Gradually, these property qualifications were abandoned, and by about 1860 universal white manhood suffrage had been attained in all of the States.

At present, all States require voters to be citizens of the United

<sup>36</sup> *Guinn v. United States*, 238 U.S. 347 (1915).

States. During the nineteenth and early part of the twentieth centuries, a number of States allowed aliens to vote if they had taken out their first naturalization papers—that is, declared their intention of becoming citizens—and could meet other suffrage qualifications. By 1926, alien voting had been abolished in all States.

All States specify a minimum age for voters. Until recently, the minimum age was twenty-one in all States. In 1943, Georgia, by constitutional amendment, lowered the age to eighteen. During World War II, the proposal to lower the voting age to eighteen received considerable attention; some people believed that if eighteen-year-olds were old enough to be in military service, they were old enough to vote. Since the War, there has been less agitation for the proposal, although interest in it continues. In 1954, President Dwight Eisenhower asked Congress to propose a constitutional amendment to establish the voting age at eighteen years, but the measure was defeated in the Senate.

Residence requirements have also been established in all States, although the length of residence varies from State to State. In general, the purposes of this suffrage qualification are to allow voters time to become acquainted with the local situations and to prevent unscrupulous persons or groups from importing voters on election day. In some instances, however, long residence requirements have been used to keep the vote from certain groups whose members are somewhat transient—for example, Negroes in the South and certain minority groups in the seacoast and industrial States. The length of residence within the State varies from six months to two years, but two-thirds of the State require a one-year residence period. The residence requirements within the subdivisions of the State also vary from State to State—for example, from thirty days to six months in the county and from ten days to six months in the election precinct. The residence requirement within the election precinct often disqualifies many citizens, particularly in urban areas, where considerable change of residence occurs.

In addition to the three qualifications—citizenship, age, and residence—that all of the States have in common, some States (seventeen in 1954) require voters to pass a literacy test. The usual form of this test is to have the applicant read some part of either the national or State constitution in English and write his own name. In a few Southern States, the applicant must "understand and give a reasonable interpretation" of a selected passage of either the national or State constitution. Election officials admin-

ister the tests in most States at registration time and sometimes discriminate against members of the opposition party or against minority groups. In New York, the tests are prepared by the State educational department and administered through the public school authorities to all first voters who cannot show evidence of having six years of education in a school using the English language.

Another qualification—the payment of a poll tax—is required in five Southern States (Alabama, Arkansas, Mississippi, Texas, and Virginia). We shall discuss the effect of this suffrage qualification in the following chapter.

All States disqualify persons who have serious mental incompetencies—for example, the insane, idiots, feeble-minded, and those persons who have been declared by a court to be incapable of handling their own affairs. Persons are disqualified if they have been convicted of felonies or of election crimes, such as bribery or intimidation of voters, until they have been pardoned or restored to their full civil rights. Paupers are disqualified in many States.

## SAFEGUARDING INDIVIDUAL RIGHTS

Although the discussion of rights in this chapter has centered around judicial interpretations of the Constitution, we should not assume that the only protection of individual rights is through the courts and law. The extent of freedom and rights develops from the attitude of the people themselves toward society. The exercise of a right can be extended only to the limits of tolerance of the members of the group.

Every right carries with it a corresponding responsibility, and nothing can endanger a right as much as its abuse. The responsibility of a person extends beyond his assertion of his own rights. It includes the recognition of the right of others to have creeds and ideas one does not like or cannot understand, if they are in the area of acceptability to society. This responsibility is particularly important where freedom of speech means voicing an unpopular thought; freedom of religion, practicing an unorthodox faith; and freedom of assembly, the organization of a minority that may seek to replace public officials.

If the duties of the citizen who wishes to maintain his rights and those of others were enumerated, they would form a long list. The actual performance of many of these obligations occurs rather

infrequently, a condition which may lull the average citizen into an indifferent attitude toward his civic duties. Three major duties, closely related to rights, require full attention—the observance of laws, the formulation of constructive criticism, and familiarity with the structure and function of government. Some other obligations arise only intermittently but are equally important—for example, paying taxes, voting, and participating in jury service. The securing of rights to a large extent depends upon the recognition and acceptance of these duties.

One of the current questions in the area of civil rights is how far the national government should go in taking positive action to safeguard these rights. The traditional attitude toward the constitutional guarantees has been that the Constitution secures civil rights but does not give them to the citizen. In other words, it “shields” his rights from government encroachment. In recent times, there has been a tendency to supplement this approach with a more positive approach on the part of the national government—that is, to protect a person through the use of the Constitution as “both a shield and a sword.”<sup>37</sup> Under this interpretation, the Constitution not only secures (shields) civil rights from governmental action but also allows the national government to engage in activities to strike down infringements of one person’s rights *by another person* or *by a group* (to use the sword).

One manifestation of the sword view of civil rights was the establishment of a civil liberties section in the criminal division of the Department of Justice. The purposes of this section are to study the Constitution and congressional laws relating to civil rights, to recommend a program of action, and to prosecute violations of the civil-rights provisions of the Constitution and of the statutory civil rights originating with Congress. The work of this section has been handicapped by inadequate congressional support, the vagueness and inadequacies of the national laws, and the lack of co-operation on the part of local and State officials. Another example of the positive approach of the national government in protecting civil rights was the appointment of a Committee on Civil Rights by President Harry Truman in 1946 to consider all phases of the legal and popular status of civil rights in the United States. Some of the findings of this committee will be discussed in the following chapter, which deals with minority groups.

<sup>37</sup> *Pollock v. Williams*, 322 U.S. 4 (1944).

## SUMMARY

A society maintains control over the individual member of the group by developing certain institutions for control. In the United States, group control is not absolute—that is, limitations have been placed upon this control to protect the individual from excesses of governmental authority. The justification of this limitation is that the individual has certain civil rights which group authority—that is, government—must respect.

Civil rights in the United States are derived from both English and colonial experiences. Many of our civil rights had their beginning in the English common law practices, and the theory of natural rights developed by John Locke in the seventeenth century has influenced the development of the American concept of civil rights. Although natural rights never have been defined fully, they are thought of as those relating to the life, liberty, and property of the individual. According to the natural-rights theory, these rights are inherent and cannot be taken from the people except by their consent. In the United States, most of the individual rights are guaranteed or made "secure" by the national Constitution and by the constitutions of the various States. Laws of legislative bodies also guarantee certain rights to the people. These rights are not absolute, since time and circumstances may make restriction of them necessary—government is permitted to restrict them in order to preserve domestic security and to protect the general welfare.

Many of the civil rights are guaranteed in the Bill of Rights of the national Constitution. Although the Bill of Rights, as interpreted by the United States Supreme Court, places restrictions upon the actions of the national government only, the Fourteenth Amendment contains two clauses that place restrictions upon State governments. These clauses are (1) ". . . nor shall any State deprive any person of life, liberty, or property, without due process of law"; (2) "nor deny to any person within its jurisdiction the equal protection of the laws." Judicial interpretation has extended these two limitations to include some, but not all, of the rights guaranteed in the national Bill of Rights. In addition, each State government is limited by the bill of rights in the constitution of the State.

In the present chapter, for convenience of discussion we have grouped individual rights under four main headings—Rights Re-

lating to Religious and Secular Expression; Rights and the Security of the Person; Rights and the Judicial Process; and Political Rights. Most of these rights have come to have real meaning through judicial interpretation. As cases involving such rights have come before the courts, especially the United States Supreme Court, they have been defined and elaborated to meet social changes.

The extent of individual freedom and rights depends not only upon the protection and guarantees given by constitutions and laws but also upon the attitude of the people themselves. The exercise of a right can be extended only to the limits of tolerance of the members of the group. Furthermore, citizens have responsibilities and duties, as well as rights. To neglect these may lead eventually to arbitrary restriction of civil rights.

In recent times, the national government has tended to consider the guarantees in the national Constitution as both a "shield and a sword." By this is meant that the national government is not only restricted from arbitrary action against individual rights (the shield) but also that it may engage in activities to protect the individual from actions of another person or of a group (the sword). One manifestation of the sword view is the establishment of a civil liberties section in the criminal division of the Department of Justice. The fundamental purpose of this section is to take positive action in upholding the civil-rights provisions of the Constitution and the statutory civil rights originating in Congress. The appointment of a Committee on Civil Rights to consider all phases of the status of civil rights in the United States is another example of the positive approach to civil rights.

## QUESTIONS

1. What are the three bases of rights? Give examples of each.
2. Show the extent to which the "due process of law" and "equal protection of the laws" clauses of the Fourteenth Amendment apply to the national Bill of Rights.
3. What is the relationship between religious liberty and freedom of speech and press?
4. What is the content of the legislation passed by Congress to control subversive activity in the United States?
5. Under what circumstances can a city government limit the right of assembly?
6. What is the meaning of and the intent back of the "separate but equal" doctrine? What change was made in 1954 by the United States

Supreme Court in the application of this doctrine? What were the reasons given by the Court for this decision?

7. How is wire tapping related to the constitutional guarantee against unreasonable searches and seizures? How do you feel about the present status of wire tapping as a means of obtaining evidence against a person?
8. What are the rights guaranteed to persons who are accused of and tried for breaking the law?
9. On what grounds could objections to a "blue ribbon jury" be founded?
10. Distinguish between procedural and substantive due process of law. Give illustrations of each.
11. What provisions of the national Constitution protect the political rights of the people? List the qualifications for voting that the States have established. Which of these qualifications do all States have?
12. Illustrate the difference between the "sword" and the "shield" views of the constitutional guarantees of civil rights.

## DISCUSSION

1. Does a belief in individual rights require a belief in limited government? Give reasons for your answer.
2. What is meant by the statement that the means by which democracy is protected must be as carefully scrutinized as are democratic goals themselves?
3. "Only citizens are entitled to civil rights." Is this statement in accordance with the national Constitution? Give reasons for your answer.
4. If a person were to cry "fire" in a crowded theater, knowing that there was no fire, would he be within his rights? What principle would be involved in this situation?
5. Support with evidence the statement that war affects individual rights.
6. Is the imposition of a penalty upon a person for not observing civic duty, such as jury service, a violation of his civil rights? Why or why not?
7. What is the basis for the statement that individual rights are the citizen's business? Can the attitude of citizens endanger these rights? Why or why not?

## TERMS

**Indictment by grand jury:** The determination by a body of from sixteen to twenty-three persons of whether there is sufficient evidence against a person suspected of crime to bring him to trial.



**Information:** A formal accusation prepared by a prosecuting attorney and presented to a court against a person suspected of crime.

**Rider:** An addition to a legislative bill relating to a different matter than that contained in the bill. At the national level of government, riders are usually attached to appropriations bills, especially if there is doubt of the former's being accepted by the President, because it is necessary for appropriations bills to become law to carry on governmental functions and the President cannot veto parts of bills.

## BILL OF RIGHTS IN THE CONSTITUTION OF THE UNITED STATES (FIRST TEN AMENDMENTS)

### *Article I*

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances.

### *Article II*

A well-regulated militia, being necessary to the security of a free State, the right of the people to keep and bear arms, shall not be infringed.

### *Article III*

No soldier shall, in time of peace, be quartered in any house, without the consent of the owner, nor in time of war, but in a manner to be prescribed by law.

### *Article IV*

The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

### *Article V*

No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

**Article VI**

In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defense.

**Article VII**

In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury shall be otherwise re-examined in any court of the United States, than according to the rules of the common law.

**Article VIII**

Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

**Article IX**

The enumeration in the Constitution of certain rights, shall not be construed to deny or disparage others retained by the people.

**Article X**

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

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## 9 MINORITIES AND THEIR RECOGNITION

Among the major powers of the world, the United States has assumed and maintained leadership in the continuing effort to implement fully the rights of the individual. This country has achieved outstanding success in combining a wide personal freedom and an efficient government. Some indication of that success is the sharpness with which violations of civil rights command our attention.

Much of the still fairly extensive failure to respect individual rights is not due to the structure or function of government being faulty but to the activities of certain minority groups that are determined by mores not thought to be covered by the guarantees of civil rights. Thus a person who is a member of such a group may have his rights arbitrarily abridged. In the present chapter, we shall define "minorities" and discuss some of the violations of rights involving minority groups. To understand the issues involved, it is necessary to know the meaning of the term *minority* as it applies in society.

A minority is any group numerically smaller than the largest group within a given total population. This definition applies as a principle of control in any group endeavor. In a two-party election, for example, the party receiving less than 50 per cent of the total votes cast becomes a minority group. The definition also holds for a situation where the total population is divided into several groups of different size. For example, the religious population of the United States is divided into three major religions—Protestant, Catholic, and Jewish—two of which are minorities. These two—the Catholic and Jewish—can themselves be broken down into further minorities. The Catholic religion has two component groups—Greek (or Eastern) Orthodox and Roman—of which the Orthodox is the minority by numerical count. In identifying a minority, the total population of the group involved must be clearly defined.

## NATIONAL MINORITIES

A national minority is a group, whose members have a common cultural heritage, living within the boundaries of a national state in which the cultural heritage of the dominant group is different from that of the minority group. The members of the minority group, few in number compared with the dominant group, are more or less subject to the control of the dominant group. In common usage, the term *national minority* generally applies to involuntary minorities—that is, to people who have been separated from their own national state through no choice of their own—although, of course, there are people who have voluntarily left their own national state to settle in another. Involuntary national minorities usually, but not always, retain their national consciousness and endeavor to preserve their own culture in the hope that they will be able either to reunite with their former national state or to achieve political independence for themselves. In some instances, a national minority is of a different race than the dominant group and may be designated a “racial minority.”<sup>1</sup>

The problem of national minorities has been an outgrowth of nationalism. Once cultural homogeneity and an intense loyalty to a national state have been built up, these characteristics have tended to continue among the people, even though the boundary lines of the national state change. For example, Poland was divided among Russia, Austria, and Prussia in the eighteenth century, yet the Polish people kept their nationalistic feelings alive until 1919, when they regained an independent statehood for themselves.

The doctrine of popular sovereignty, which maintains that majority decisions at the polls should be decisive in matters of state, has tended to support the suppression of national minorities by the dominant group. A national minority has little if any possibility of becoming a majority group, since it has no opportunity to gain new followers from within the boundaries of the governing state.

### *Examples of National Minorities*

The German nation immediately after 1871 is one of the best examples of an area containing national minority groups. More than 100,000 Danes lived in Schleswig, in the northern part of the empire. The provinces of Alsace and Lorraine, which were taken from the French in 1871, were so completely French in their culture,

<sup>1</sup> For a discussion of what is meant by “race,” the student is referred to Chapter 2, Volume I.

although a form of German was usually spoken, that the measures taken by the Germans to bring about integration with their own culture failed. The four million Polish people in the eastern part of the empire formed another national minority that the Germans could not assimilate culturally. Each of these minority groups was far outnumbered by the German people, but each maintained its cultural identity and eventually was freed from German control.

Within the European community, the British also had their troubles with a national minority group—the Irish. In order to keep a ruling hand over the Irish, the English at first resorted to severe measures. Laws were passed restricting the political, economic, and religious freedom of the Irish minority. Then, in the first half of the nineteenth century, the English relented and began to give the Irish some of the rights for which England herself was noted. As in the case of the German minorities, the strong cultural unity of the Irish was sufficient to achieve an increasing degree of self-rule, and eventually (1949) the independent nation known as Eire (Republic of Ireland) was established.

Another minority group in Europe—the Jewish—is a religious minority that developed into a national minority. The Jews suffered for centuries at the hands of majority groups throughout the world. In the Middle Ages, they were denied the rights enjoyed by other groups, such as the right to own land, and they did not begin to achieve equal status with non-Jews until the nineteenth century. A recurrence of hatred for the Jews (anti-Semitism) developed in the middle of the nineteenth century, particularly in Germany, France, and Russia. To illustrate, in Russia, Jews were restricted in their rights to own property, attend school, and choose a dwelling place. Repression led to the development of a nationalistic movement among the Jews, and a Jewish movement known as Zionism developed in the last decade of the nineteenth century. It was based upon the belief that the Jews were a nationality and that Palestine, the ancestral homeland of the Jewish people, should be the site of an independent Jewish nation. The Zionists were repressed in most nations, but the spirit of this group was strong enough to persist, and in 1948 the independent Jewish nation of Israel was recognized throughout the world.

### *Voluntary National Minorities*

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### *Voluntary National Minorities*

Voluntary emigration of the peoples of one nation to another has brought about problems of far less difficulty and persistence than those of national groups forced by war or international agreement



to reside within foreign boundaries. Australia, Argentina, Canada, the United States, and other nations have willingly absorbed large numbers of people from other countries. These nations have had so much to offer that most immigrants renounced their cultural ties in order to become "typical" citizens of their adopted country. The transition from Slovak to Canadian or from Italian to American has not always been easy, but a willingness to change eventually makes it possible. The "Little Italies," Amish colonies, and Swedish settlements in the United States are evidence of attempts by voluntary national minorities to retain cultural identity with the former homeland, but with the second and third generations, much of the ethnocentrism declines. Assimilation into the social order usually is rapid, and the number of problems decreases as time passes. In contrast, most of the national minorities in Europe have been a constant source of problems, largely because they have been involuntary minorities, have attempted to preserve and protect their own cultural traditions, and have fought against assimilation by the culture of the dominant group.

### *Proposed Solutions for National Minority Problems*

The principle of self-determination was proposed by President Woodrow Wilson as a means of solving national minority problems. This principle, which is based upon the belief that people should be allowed to decide their own political status, was one of the guideposts in writing the peace treaties following World War I. Eleven European states were created or enlarged by means of territories formerly belonging to Germany, Austria-Hungary, and Russia. An attempt was made to draw the boundaries in such a way that national minorities would be eliminated insofar as possible. This "solution," however, created new problems. In the first place, the eleven emergent states did not begin to equal the number of ethnocentric national groups that had settled throughout Europe. Thus the minorities that did not achieve sovereign status felt discriminated against. In the second place, some of the newly created states began to discriminate against their own minorities. In addition to these two problems, self-determination created a vast number of new international conflicts involving currency, markets, tariffs, education, and religion.

The transfer of minority populations to countries of their own nationalities also has been used as a means of eliminating national minority problems. For example, an exchange of nationality groups

took place between Greece and Turkey following World War I. In 1923, the Greek and Turkish governments agreed upon an exchange of populations to be carried out under the supervision of a commission composed of representatives from each country. Approximately one million persons were sent into Greece from Turkey, and about 400,000 were transferred to Turkey. Hardship and suffering, however, resulted from this exchange. One difficulty was in determining whether a family was Turkish or Greek, especially if the migration had occurred many years before the exchange, as was often the case. In addition, mismanagement, corruption, and carelessness brought misery to large numbers of people. The existence of many property disputes also caused unfriendly relations between the two governments. The difficulties experienced in this transfer of minority populations is typical of such exchanges of people as occurred following World War I. Although in some cases the transfers tended to lessen the tensions resulting from minority-group problems between the countries involved, in general they caused much hardship, unhappiness, and bitterness among the people who were exchanged.

In both ancient and modern times, arbitrary expulsions of the minority group by the dominant nationality have occurred. One illustration of this type of transfer of population in contemporary times was the expulsion of the Jews from Germany during the time of Hitler's Nazi government. Another illustration was the expulsion of millions of German people from other countries following World War II. Having no place to go, these people were placed in displaced persons' camps in Germany. Such transfers, regardless of the era of history in which they occurred, have created new and equally serious problems for both the people and the governments involved. Unfortunately, the principles of humanity usually have been ignored when this method has been used to solve national minority problems.

Some nations have practiced a policy of patience, tolerance, and willingness to arbitrate in solving their national minority problems. To illustrate, England, which once suffered bitter conflict among her warring minorities (Angles, Saxons, Normans, Scots, Welsh, and others), has become a strongly united nation, even though some of these groups remain discernible in present-day English culture. The same situation is true in the twenty-two cantons of Switzerland, with their diverse languages and religions. At present, a federation with a strong sense of Swiss nationality functions with

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little discord. In both cases, patience, tolerance, and willingness to arbitrate have been more successful in meeting national minority problems than has either self-determination or transfer of population in other instances.

## MINORITY VERSUS MAJORITY

Both political history and present situations contain many contradictions of the idea that numerical superiority means dominance or control by the largest group. From the oligarchies of ancient times to the time of the divine-right rule of kings, a privileged minority was taken for granted. At present, the Communist Party in Russia numbers only about six million persons—a small minority which controls a population totaling more than 200 million. The Negroes in South Africa far outnumber the white people there, but the minority group controls the majority. The numerical sizes of groups do not always indicate power relationships.

The United States has qualified majority rule by including within the political system certain features that give the minority considerable power in policy-making. The size of the minority varies, but in many cases it need be only one more than the following portions of the total group—one-fifth, one-fourth, or one-third. For example, one-fifth of the members of either house of Congress can require a "yea and nay" vote to be recorded, thirteen States can prevent the ratification of an amendment to the national Constitution, and one more than one-third of a quorum of the Senators present at the time of consideration can block the ratification of a treaty. In some cities, proportional representation affords seats in the governing body to a minority according to its numerical strength. In general, a minority is free to voice its views on policy issues and to criticize the policies of the majority.

## MINORITIES IN THE UNITED STATES

### *Nationality Minorities*

The group in the United States having the greatest cultural influence has been Caucasoid, English-speaking, Protestant, and Anglo-Saxon or European in background. When other nationalities, such as the Swedes, Poles, Germans, Irish, Italians, and Scots, came into this country before 1924, sometimes at the rate of more than a million a year, the process of assimilation brought difficult prob-

lems. Prejudices mounted, the ethnocentrism of the people of the United States became strong, and the immigrants sometimes were labeled "wops," "dagos," and "bohunks." What people forgot then, and what they still do not always recall, is that all white persons in the United States are descendants of immigrants.

In time, the social tensions created by the immigrant groups were relieved. This alleviation in nationality minority problems has been due partly to the restriction in numbers of incoming foreigners and partly to the fact that by the third generation the customs, attitudes, and habits of the groups have become "American."

### *Racial Minorities*

Some nationality groups in the United States have, besides a different cultural background, a different racial heritage. Toward most nationality minorities the attitude has been: "Live like us and we will accept you as one of us." But for racial minorities this attitude changes to: "Become as much like us as you can, but if you are biologically connected with the Mongoloid or Negroid races, we shall not accept you completely as one of us." Thus the dominant group in the United States has created a more or less permanent minority problem.

One of the ways in which this country has expressed its attitude toward certain races and nationality groups is by the passage of legislation that restricts the granting of United States citizenship through naturalization. Until 1943, all Asiatic immigrants were prohibited by law from becoming naturalized citizens. The Chinese were granted this privilege in 1943 and the Filipinos and natives of India in 1946. In 1952, the Immigration and Nationality Act (McCarran-Walter Act) did away with all racial discrimination in granting citizenship by naturalization.

The requirements of the naturalization process also have hindered the members of some nationality groups from obtaining citizenship. For example, the requirement of a rather extensive knowledge of the history and Constitution of the United States has made it difficult for Europeans who have had meager schooling to pass the required examination. Although in many cases persons have the qualities of desirable citizens, the problems of learning a new language and of earning a living made it difficult for them to prepare themselves to meet this naturalization requirement. Both the national and State governments have passed laws that in some cases have wrought hardship upon persons who have been worth-

while inhabitants, but were not citizens because of the strict naturalization requirements. This problem was highlighted during World War II when the Japanese, both citizens and aliens, who were confined to relocation camps were asked to swear allegiance to the United States and to renounce all loyalty to Japan. Protests by the Japanese aliens were recognized, and the loyalty oath was changed in the latter respect; it was realized that if this oath were taken they would be stateless, since they were denied the right to become citizens of the United States.

**THE AMERICAN INDIANS** For many years, the chief minority problem in American society was the relation between the American Indians and the white people. During colonial times, the colonists in general made no attempt to understand the Indians, and enmity on both sides soon developed. In some settlements, the colonists and the natives were friendly, but this was the exception rather than the rule. Warfare between the two groups was almost continuous in the frontier settlements. Before the Revolutionary War, the practice of permitting each Indian tribe to hold an area of land, designated as a "reservation," generally was followed in all of the English colonies. This practice was adopted by the United States government after the Revolution, and the restriction of Indian tribes to smaller and smaller reservations of less and less desirability continued into the twentieth century.

The national government took responsibility for the welfare of the Indian tribes because the resources on the reservations could not support their minimum needs. Injustice, graft, and greed characterized the handling of Indian affairs until public opinion demanded that the governmental policy be changed. In 1934, the government not only stopped the further division of reservations but also appropriated funds for the purchase of additional land and water resources. Reservation Indians were encouraged to develop co-operative, large-scale farming and grazing enterprises and were given assistance in developing scientific methods of farming and sound farm management.

In dealing with Indian tribes, the government recognized each tribe as a nation until 1871, when Congress formulated the policy of recognizing the individual Indians as "wards" of the United States. In 1924, tribal Indians born in the United States were granted citizenship, and although many of them have continued to retain their tribal identity, they have been given suffrage rights by the States.

Both the economic and social standards of the American Indians have improved greatly in the last quarter century, but the Indian minority problem cannot be considered "solved." Much progress in such aspects of life as education, health, occupational opportunities, and political participation must be made before the Indians can be said to have the full and equal rights of United States citizens. The average reservation Indian has been neither prepared adequately nor encouraged to leave the reservation and take advantage of the social and economic opportunities in society.

**THE NEGROES** Since the Civil War, the most perplexing and persistent racial minority problem has been the status of the Negroes in American society. Before the Civil War, most of the Negroes lived in the South and, as slaves, had a fixed social position. At that time, attention was directed to the institution of slavery rather than to the Negroes themselves. Actually, there was no general recognition that a Negro minority problem existed. Although the legal status of the Negroes was changed after their emancipation, their social position was not clearly established, and the problem since then has been that of their integration into the economic, political, and social organization of society.

Following the Civil War, citizenship was granted to the Negroes by the Fourteenth Amendment to the national Constitution. Throughout the preceding and present chapters, material is presented that indicates the wide difference between the legal guarantee of the rights of citizenship for the Negro and the practical application of those rights. The Negroes have been subjected to segregation in almost every aspect of social relationships. Since 1900, however, the status of the Negroes has gradually been raised, and relations between them and the white people have improved.

The National Association for the Advancement of Colored People (NAACP) has had considerable success in improving the position of the Negroes, especially in securing the enforcement of their constitutional and legal rights. The success of individual Negroes in such fields as sports, music, literature, and science, and the participation of Negroes in the armed forces during World Wars I and II also have added to the prestige of the Negro race. In addition, world disapproval of racial prejudice has been influential in bringing about changes in the United States. As indicated in the following sections of this chapter, much can still be done to raise the Negro population to full rights of citizenship and to



equal opportunities in economic and educational pursuits. Nevertheless, considerable evidence indicates that the attitude of society toward the Negroes at present is more favorable than it has been at any time since the Civil War.

**CHINESE AND JAPANESE** Two other racial groups—the Chinese and Japanese—are also a part of the racial minority problem in the society of the United States. In general, this phase of the problem has not been widely recognized because only a relatively few persons have been involved, and because they have been concentrated mainly in the States of the West Coast and have made themselves relatively inconspicuous in the nation as a whole by voluntary social isolation.

From the later part of the nineteenth century until 1943, Chinese immigrants were excluded from the United States. In 1943, the Chinese Exclusion Act was repealed, and a yearly quota of 105 persons was granted to the Chinese; this quota applies to all Chinese persons, whether they are residents of China or of some other country. In 1952, an additional yearly quota of 100 persons was granted to the country of China. The attitude toward the Chinese minority group changed for the better during World War II; however, considerable prejudice and stereotyped thinking about the Chinese still exist among the people of the United States.

Japanese immigrants were excluded from the United States from the early part of the twentieth century until 1952, when the McCarran-Walter Act set an immigration quota of 185 a year for Japan. As is true in regard to the Chinese, stereotyped and prejudiced thinking prevails about the Japanese minority group. It was particularly evident during World War II, when the Japanese were the most hated and most badly treated of the minority groups in the United States. The belief that the Japanese in the United States engaged in treasonable activities against this country and that they should be punished for the atrocities committed by the Japanese military forces was widely accepted. Little if any evidence substantiated the rumors that the Japanese in this country were disloyal to the United States. Nevertheless, they were moved from the West Coast to relocation camps in the interior of the country, with serious economic loss for many of them.

Since the end of World War II, the attitude of the people of the United States toward the Japanese has been less prejudiced and more tolerant. One of the things which brought about this change

of attitude was the performance of Japanese-Americans (nisei) as soldiers during the war. Another reason was the good will built up in the Japanese homeland between the United States and Japan during the occupation following the war. Furthermore, the United States government looks upon Japan as an ally in the Far East in opposing the spread of communistic ideology. The attitude of the Japanese who were in the relocation camps also has engendered good will among many people in the United States. Many of these evacuated persons did not return to the West Coast but settled in other areas. Their general patience and willingness to work have wiped out some of the prejudice against them.

**THE MEXICAN-AMERICANS** Since about 1920, the Mexican-American population living in the Southwest section of the United States has been a minority problem. From 1900 to 1930, large numbers of Mexicans (mainly mestizos and Indians) came into the United States, and many of them and their children are now citizens of the United States. Since 1930, there have been very few entering, as a result of an agreement between the governments of the United States and Mexico to restrict Mexican immigration into the United States. Some do enter illegally; these persons are known as "wet-backs" because many of them escape the Border Patrol by swimming a border stream. Since 1942, Mexican nationals have been brought in under contract to work as agricultural laborers during the harvesting seasons, but they return to Mexico after a specified length of time.

Most of the Mexican-Americans live in the Southwest, but a considerable number are located in Midwestern industrial cities, such as Chicago, Detroit, and St. Paul. Outside of the Southwest, they are treated much as any other minority group, and problems have not developed to the extent that they have in the Southwest because the Mexican-Americans mix with others and in many areas have been assimilated into other groups.

In the Southwest, the situation is different. In that area, there is prejudice and discrimination against the Mexican-Americans and a minority problem does exist. In general, the Mexican-Americans live together in colonies and have not become integrated into the community. This is due in part to the cultural differences between these people and the native population. The rural peasant background and low standard of living of the Mexican-Americans have made adjustment to the American way of life difficult. And social

pressure from the native population and restrictive covenants often have made it impossible for the members of this minority group to become a part of the community life.

For the most part, the Mexican-Americans in the Southwest are migratory agricultural workers and therefore are not permanently located. Their low wages in this type of work have tended to keep their standard of living low. They have had few opportunities for work in other occupations, not only because they are not adequately trained, but also because of the discrimination against them in other types of work.

The young Mexican-Americans have mixed with the young people of the native population very little and have not had the opportunity to adjust to the American way of life. In some areas, separate schools have been maintained for the children of Mexican-Americans, and the educational opportunities in such schools usually have not been equal to those of other schools in the community. For most Mexican-American children the school year is shorter than the usual school year as a result of the type of work in which their parents are engaged.

Though the Mexican-Americans who are citizens are not denied the right to vote, they usually do not participate in political elections. Their low economic status and inadequate background for political participation, as well as the negative attitude of the native population toward their participation, are responsible for their lack of interest in political affairs. They do not always receive equal justice in the courts, and in most areas of the Southwest they are not called for jury service.

There are some indications that the status of the Mexican-Americans has been improved in recent years. During World War II, they had more opportunities for employment in jobs in which higher wages are paid and in which employment is regular. When the Mexican-Americans who served in the armed forces returned to their communities, many of them were dissatisfied with their minority status and have since been working to improve the welfare of their people. The continued education of the young Mexican-Americans, though not always adequate, has also helped to improve their welfare.

### *Religious Minorities*

Another source of tensions and problems between minority and majority groups is religion. Indeed, religious bigotry has been one

of the major sources of intergroup conflict and persecution of minority groups from ancient to present times. Religious hatred is based upon the feeling that persons adhering to a belief different from one's own are guilty of blasphemy, heresy, atheism, or other sins. The beliefs and practices of different religious groups within a society often are twisted and exaggerated in the minds of many people until they become something to be feared. To persecute members of such *religious sects sometimes is even considered to be doing service for the Lord*. One of the first steps toward breaking down religious prejudice is to understand the beliefs and practices of the religion in question and to evaluate them from the point of view of that particular religion.

Many of the American colonies were settled by religious dissenters. New England was founded by Puritans, Pennsylvania by Quakers, and Maryland by Roman Catholics. But religious bigotry carried over from the Old World to the New World. The Puritans of New England and the Anglicans of Virginia and New York persecuted minority religious groups, such as the Quakers, Unitarians, Jews, and Catholics. In contemporary United States, rivalry and discrimination exist among Catholics, Liberal Protestants, Fundamentalist Protestants, and Jews.

### *Political Minorities*

The political system of the United States is so devised that in a presidential election the *total* number of electoral votes of a State are cast for the candidate having the largest popular vote. In such elections, the political minorities within a State thus are not represented in the electoral vote for President. In the presidential election of 1888, the candidate having the larger popular vote, Grover Cleveland, lost to his Republican opponent, Benjamin Harrison, who received the majority of the electoral college vote.

Another aspect of the political minority problem appears when a number of groups compete for votes. If one group has a large enough popular vote to give another group a definite majority by supporting it, then a minority may wield power far beyond that warranted by its numerical size. By playing each of the larger groups against the other, a small group can obtain concessions having far-reaching importance to the nation as a whole, and public policies may be decided on the basis of restricted group interests. For example, if gaining the Italian, Irish, or Jewish vote in New York, Pennsylvania, or Illinois means winning the electoral college

vote of these States, a presidential candidate may make many promises to the minority groups.

## RIGHTS OF MINORITIES

In the United States, as elsewhere, there are practices which restrict the rights of minority groups. These practices not only are contrary to our national tradition of legal protection of individual rights but also are threats to the ideals of a democratic way of life. Review and readjustment of the rights of the people are necessary if a government is to function according to democratic principles. President Harry Truman recognized this need when he appointed a Committee on Civil Rights in 1946 to investigate the rights of the people.

The Committee, consisting of fifteen citizens and aided by an investigating staff, carried on a thorough investigation of the status of rights, especially of those of the Negroes in the Southern States. The members of the Committee endeavored to answer the following questions:

- (1) What is the historic civil rights goal of the American people?
- (2) In what ways does our present record fall short of the goal?
- (3) What is the government's responsibility for the achievement of the goal?
- (4) What further steps does the nation now need to take to reach the goal? <sup>2</sup>

The Committee's report, *To Secure These Rights*, was published in 1947. Included in the report were the findings and recommendations for a program of action that would remedy inconsistencies found throughout the nation. In February, 1948, President Truman recommended to Congress a ten-point program that included some of the recommendations of the Committee. Congress did not support the program by legislation because of strong opposition, particularly from Southern congressmen. The South especially opposed the recommendation for a national antilynching law, abolition of the poll tax as a suffrage qualification, and elimination of the white primary and of segregation in transportation facilities. By executive order, President Truman in July, 1948, ordered fair employment practices in the civil service and equality of treatment in the armed forces regardless of "race, color, religion, or national origin."

<sup>2</sup> *To Secure These Rights, The Report of the President's Committee on Civil Rights* (Washington, D.C.: Government Printing Office, 1947), p. xii.

In four basic areas of rights—safety and security of the person, suffrage, freedom of conscience and expression, and equality of opportunity—members of minority groups do not always have the privileges which members of the dominant group have. We shall discuss some of the findings of the President's Committee on Civil Rights and some of the recent developments in these areas.

### *Safety and Security of the Person*

The violation of the right to safety and security of the person is evidenced by the record of lynchings in the United States. From 1882 to 1951, there were one or more lynchings each year. Since 1936, however, the number has declined gradually; in 1952, 1953, and 1954 no lynchings occurred. Even though the number of lynchings has decreased in the last few years, it is still possible in some sections of the country for a mob to murder a citizen with almost certain assurance that no one will be punished or even apprehended for the crime. From 1936 through 1946, no person received the death penalty in a lynching case, and the majority of persons allegedly involved were not prosecuted. That the violence is directed primarily against the Negro minority is illustrated by statistics of the Tuskegee Institute showing that of the 226 persons rescued from threatened lynchings from 1937 to 1946, more than 200 were Negroes. Of the 34 lynchings in the decade 1940 to 1950, 32 were of Negroes.

Illegal violence also is found in the handling of persons of minority groups by police officers. In some communities, the use of the third degree, unwarranted arrest, lengthy detention before arraignment, and denial of bail or of the right to see a lawyer have been inflicted upon members of minority groups. Although public opinion may be against such practices, police officers know that members of the minority group are less likely to be able to afford lawyers or to get favorable publicity for their cases, and they are reasonably sure that they will not be held accountable. Even in the courtroom, the discrimination continues. For example, records indicate that in some areas heavier sentences often are imposed upon nonwhite persons than upon members of the white race for the same offenses. Also, the members of minority groups frequently are subjected to arbitrary arrest and unjust conviction. One of the practices that encourages this discrimination in many communities is the use of the fee system, by which court officials are paid their salaries in whole or in part from the fines levied. In some communi-

ties, these officials take advantage of the members of the unpopular minority group to augment their salaries because the dominant group takes little interest in the attitude of law-enforcement agencies toward members of the minority group. Jury service in some areas never includes members of the racial or national minority group. For example, in 50 counties in Texas where the Latin American population ranges from 15 to 40 per cent of the total, no person of Mexican descent has been known to be called for jury duty. Here one of the basic principles of jury trial, to be tried by a jury of one's peers, is disregarded.

### *Suffrage*

In theory, the right of all qualified citizens of the United States to vote has been achieved, but in practice, many citizens are barred from voting because of either race or certain traditions. For example, the permanent residents of Washington, D.C., are deprived not only of the right to vote but also of representation in the national government. The denial of the right to vote on account of race, however, is at present the most serious interference with the right of suffrage.

This interference is the most evident in some of the Southern States, where several methods have been devised to exclude Negroes from participating in elections. In the past, one of the most effective methods was limiting the Democratic Party primary election in the South to white persons. Since the real contest in political elections in most Southern States takes place in the primary election, nomination by the Democratic Party being equivalent to election, the denial of the right to vote in the primary actually amounted to disfranchisement of the Negro. The so-called "white primary" was declared unconstitutional by the United States Supreme Court in 1944 on the contention that it violated the Fifteenth Amendment, which states that neither the United States nor a State can deny the right of a citizen to vote "on account of race, color, or previous condition of servitude."<sup>3</sup> South Carolina then repealed all State laws regarding primaries and converted the Democratic Party into a "private club." If the primaries were placed outside the structure of government, South Carolina officials believed that the ruling of the Supreme Court would not apply. This practice also was challenged in the courts. A United States District Court held the law to be unconstitutional, ruling that, since the Democratic primary was in

<sup>3</sup> *Smith v. Allwright*, 321 U.S. 649 (1944).

opinion in the case of *Schenck v. United States*,<sup>5</sup> wrote that no limitation of freedom of expression should be made unless "the words are used in such circumstances and are of such nature as to create a clear and present danger that they will bring about the substantive evils that Congress has a right to prevent."

In the next year, Justice Louis Brandeis added the following advice about the application of this doctrine of "clear and present danger": "Like many other rules for human conduct, it can be applied correctly only by the exercise of good judgment, and in the exercise of good judgment, calmness is, in time of deep feeling and on subjects which excite passion, as essential as fearlessness and honesty."<sup>6</sup>

In 1954, the Congress of the United States considered the question of the status of the Communist Party in the United States. Legislation was enacted outlawing the Communist Party on the grounds that it is a conspiracy to overthrow the government of the United States, rather than a political party. According to the law, membership in the Party is not prohibited, but the Party collectively is denied legal privileges, such as engaging in lawsuits and making contracts. Although the law is not based on the premise of right of expression, questions will very likely arise involving members of the Communist Party in the exercise of freedom of expression. Among these questions may be that of relating the action of Congress to the three opinions mentioned above and to the First Amendment of the Constitution.

### Equality of Opportunity

In private employment and labor unions, discrimination against racial, religious, and national minorities has taken place. Members of these minorities often cannot find work suited to their capabilities and qualifications. These job-seekers find that in certain fields of employment application for a position is futile, no matter how able or well-trained they may be. The discrimination is obvious in employment notices and in application blanks where race and religion are featured items. The President's Committee on Civil Rights found that a person of a minority group usually is forced into a low-paying and often menial job, and often is paid less than other workers doing the same type of work. Surveys of the Bureau of the Census show that workers who are members of minority groups are the

<sup>5</sup> 249 U.S. 47 (1919).

<sup>6</sup> *Schaefer v. United States*, 251 U.S. 466 (1920).



last hired and the first discharged. At present, however, several States and cities have fair employment laws that prohibit employers from discriminating against any person in conditions and terms of employment because of race, color, creed, or national origin.

Labor unions have various policies on the admittance of Negroes to membership; some exclude them, others have auxiliary organizations for them, and still others allow them full membership. But in recent times labor unions in general have been less discriminatory. The Congress of Industrial Organizations, for instance, does not bar Negroes from its national organizations and does not segregate them into auxiliary local organizations. Some local organizations of the CIO, however, have discriminated against Negroes, and there have been some strikes when Negroes were hired in plants or in occupations previously closed to them. The CIO has a National Committee to Abolish Racial Discrimination for the purpose of persuading its local unions to eliminate discrimination.

Since the "separate but equal" doctrine was enunciated by the United States Supreme Court in 1896, segregation of Negroes in the public schools has been justified on the basis of that doctrine. But the Report of the President's Committee on Civil Rights states: "We have failed to provide Negroes and, to a lesser extent, other minority group members with equality of educational opportunity in our public institutions, particularly at the elementary and secondary school levels. We have allowed discrimination in the operation of many of our private institutions of higher education, particularly in the North, with respect to Jewish students."<sup>1</sup> The difference in quality between educational opportunities of white and Negro children where facilities are separate is marked. In general, the Negro schools have a shorter school year, more pupils per teacher, and lower salaries for their personnel. The average expenditure per pupil for public schools in eight Southern States in 1940 was three times greater for white pupils than for Negroes.

As was stated in the preceding chapter, in 1954 the United States Supreme Court renounced the "separate but equal" doctrine as applied to the public schools. The Court said:

Today, education is perhaps the most important function of state and local governments. . . . It is required in the performance of our most basic public responsibilities, even service in the armed forces. It is the very foundation of good citizenship. Today it is a principal instrument in awakening the child to cultural values, in preparing

<sup>1</sup> *To Secure These Rights*, op. cit., p. 63.

him for later professional training, and in helping him to adjust normally to his environment. In these days, it is doubtful that any child may reasonably be expected to succeed in life if he is denied the opportunity of an education. Such an opportunity, where the state has undertaken to provide it, is a right which must be made available to all on equal terms.

We come then to the question presented: Does segregation of children in public schools solely on the basis of race, even though the physical facilities and other "tangible" factors may be equal, deprive the children of the minority group of equal educational opportunities? We believe that it does.<sup>8</sup>

Of course, this decision does not mean that segregation in the public schools will be abolished immediately. In fact, the Court intimated that there would be many problems which would require several years to work out before a nonsegregated public school system would be fully attained.

In a number of States, Negroes have been segregated and discriminated against, or excluded by, the graduate and professional schools of colleges and universities. Since 1938, however, considerable progress has been made toward providing equality of opportunity in higher education in the Southern States. Missouri, in 1938, and Oklahoma, in 1948, were ordered by the United States Supreme Court either to open their regular law schools to Negroes or to establish separate law schools for their use with advantages equal to those of the regular law schools.<sup>9</sup> In each case, Negroes had been refused admittance to the regular law school maintained by the State. After the Court's ruling, each State established law schools in the colleges that were maintained for Negro students.

In 1950, two decisions of the United States Supreme Court further extended equality of opportunity to Negroes in schools of higher education. In the *Sweatt v. Painter* case,<sup>10</sup> the Court ordered Texas to admit a Negro student to the regular University of Texas law school on the grounds that the law school established for Negroes was grossly inferior to the law school for white students. The Court pointed out that even if the facilities and services of the law schools were equal, a separate Negro school would lack such qualities as tradition, reputation, prestige, and influence, all of which make for greatness in a law school. In a second decision in

<sup>8</sup> *Brown v. Board of Education, Topeka, Kansas*, 347 U.S. 483 (1954).

<sup>9</sup> *Missouri ex rel. Gaines v. Canada*, 305 U.S. 337 (1938); *Sipuel v. University of Oklahoma*, 332 U.S. 631 (1948).

<sup>10</sup> 339 U.S. 629 (1950).

1950, the Court ruled that segregation of Negroes admitted to the regular University of Oklahoma graduate school in effect was denial of equal protection under the laws. The Court said that a Negro "... having been admitted to a state-supported graduate school, must receive the same treatment at the hands of the state as students of other races."<sup>11</sup> Therefore, the University could no longer require Negroes to sit apart from white students in the classrooms, library, and school cafeteria. As we have pointed out in the preceding chapter, largely as a result of these decisions the regular graduate and professional schools have been opened to Negroes in a number of Southern States.

Members of minority groups are also often denied equality of opportunity to rent or buy a home. Real estate interests find it profitable to confine minorities to particular areas of a city, and the prejudices of the dominant group may work to achieve the same goal. Some cities enacted zoning ordinances restricting areas of residence of minority groups. These ordinances were declared invalid by the United States Supreme Court under the due process clause of the Fourteenth Amendment.<sup>12</sup> Following this action, restrictive covenants were written into deeds of sale in order to gain the same end. By such agreements, property owners mutually bound themselves not to lease or sell to members of a group thought to be "undesirable." Specific cases have excluded Armenians, Jews, Negroes, Mexicans, Syrians, Japanese, Chinese, and Indians. Since this practice was discrimination by individual owners rather than by government, the United States Supreme Court declined to consider cases involving restrictive covenants for about twenty years (from 1926 to 1948). In 1948, however, the Court considered their legality and said that they were unenforceable because equal protection of the laws guaranteed by the Fourteenth Amendment was denied when State courts enforced such private agreements.<sup>13</sup>

In the area of public accommodations and amusements, the various States are free to legislate a policy, unhampered by the national government. Eighteen States have statutes prohibiting discrimination in these areas, twenty compel segregation in one way or another, and the remainder have no laws on the subject. In the States prohibiting discrimination, however, the civil authorities often tolerate practices which are in direct contravention of the law. Where

<sup>11</sup> *McLaurin v. Oklahoma State Regents*, 339 U.S. 637 (1950).

<sup>12</sup> *Buchanan v. Warley*, 245 U.S. 60 (1917).

<sup>13</sup> *Shelley v. Kraemer*, 334 U.S. 1 (1948); *Hurd v. Hodge*, 334 U.S. 24 (1948).

segregation is practiced, the minority may be restricted from using such facilities as theaters, hotels, restaurants, schools, parks, drinking fountains, and buses used by the general public.

In summary, laws and covenants forbidding the association of one group of citizens with another group in the course of their daily living virtually impose a caste system at the expense of the minority group.

## RIGHTS AND INTERNATIONAL RELATIONS

In 1948, the United Nations General Assembly adopted the Universal Declaration of Human Rights. Since that date, the nations of the world have been working on a treaty or covenant that would bind the members to action in the case of violation of rights. The preamble to the Declaration states: "Recognition of the inherent dignity and of equal and inalienable rights of all members of the human family is the foundation of freedom, justice, and peace in the world." Many of the rights of the Declaration parallel those in the Constitution of the United States, and many reflect the influence that religion has long exerted in the area of human rights.

The Declaration establishes as common standards of achievement for all peoples and all nations a set of basic rights and responsibilities. Among these are freedom of speech, religion, and press; the right to work, to leisure, to education; and protection from arbitrary arrest, from *ex post facto* laws, and from discrimination on account of race, color, sex, language, religion, political or other opinion, national or social origin, property, birth, or other status. In the exercise of these freedoms, the rights of others must be respected and just requirements of morality and general welfare must exist if progress in human rights is to take place. A realist must accept the fact that the Declaration is an ideal in the contemporary world. If people accept and respect these rights and freedoms in their own lives, however, they will help create countries, and in time a world, where such freedoms will be a reality.

In the course of becoming a world leader economically, politically, and militarily, the United States slowly has become aware that her position among the nations of the world is determined in part by the way the majority treats the minority groups within this country. Two-thirds of the world's peoples are not of the white race, and the nonwhite people in other countries feel a kinship with the nonwhite groups in this country. One of the ways to show that

democracy is the best way of life and to win other people over to that way of life is to strive constantly to achieve individual rights and equality of opportunity for all citizens within the United States. If, in comparison, a nation offering another way of life can claim a better achievement of rights and equality, people may forfeit other values to gain these two goals.

## SUMMARY

A minority within any total population may be dominated, controlled, and suppressed by the dominant group. Under some circumstances, however, a minority may dominate the total population, and in democratic societies minority groups may have considerable influence in shaping public policies.

National minorities in a defensive position have been one of the major problems in Europe. They often have been suppressed and denied rights, with resulting dissatisfaction and conflict. The problems resulting from *voluntary* national minorities have been less difficult and persistent than those resulting from *national* minorities in a defensive position. The national minorities in the United States are mainly voluntary, and most of them have been absorbed into the American culture by the second and third generations.

In the United States, racial minorities—for example, the American Indians, Negroes, Japanese, and Chinese—have caused more problems than have the national minorities. The tensions between the American Indians and white Americans, which began in colonial times, continued into the twentieth century. In 1924, the American Indians were granted citizenship, and even though retaining their *tribal identity*, many of them have been given suffrage rights by the States. Since the Civil War, the problems arising from the integration of the Negroes into the economic, political, and social organization of society have been perplexing and persistent. Although Negroes were granted citizenship by the Fourteenth Amendment to the national Constitution, they have not always been given the same rights as other citizens. At present, however, their status is improving steadily. The Chinese and Japanese minority groups in the United States also have been subjected to discrimination, at one time being denied the right to become naturalized citizens. In recent years the attitude toward these groups also has become less prejudiced, and today they may become naturalized citizens.

In 1946 and 1947, the President's Committee on Civil Rights

investigated the status of civil and political rights in the United States. Its report indicated that members of minority groups often did not enjoy the rights of the majority. Although recommendations of the Committee have not been enacted into law, the report has served to direct attention toward inconsistencies between legal guarantees of rights and actual practices. The Committee's report gave evidence to support its contention that minority groups were subjected to such practices as lynchings, unfair treatment by police and in the courts, denial of voting rights, discrimination in employment, and segregation in schools, housing, hotels, places of amusement, and transportation facilities.

Although the report of the Committee presented a rather dismal picture of the status of rights, particularly those of minority groups, there is considerable evidence to indicate that progress is being made toward securing and gaining rights for all persons. For example, the number of Negro voters in Southern States has been increasing steadily, segregation on the basis of race in the public schools has been declared unconstitutional, the status of Negroes in institutions of higher education has improved, and progress has been made toward eliminating discrimination against minority groups in private employment and in labor unions. Recent decisions of the Supreme Court of the United States have influenced public opinion regarding the rights of minority groups. Though time is required to change the folkways and mores of a people, the trend toward gaining and securing rights has not been drastically or permanently reversed in the United States.

## QUESTIONS

1. Can there be several minorities within a total population at one time? Explain your answer.
2. Is the majority decision always fair to the minority? Why or why not? Give examples of the minority's ruling the majority.
3. What are some of the ways that European countries have used to eliminate their national minority problems? Have they been successful? Why or why not?
4. What is the difference between the attitude of the people of the United States toward nationality minorities and racial minorities? Why has there been this difference?
5. Compare the attitude of the people of the United States toward the following minority groups: the American Indians, the Negroes, the Chinese, the Japanese, and the Mexican-Americans.

6. What are some of the ways by which the Southern States have been able to limit the Negro vote?
7. What evidence is available to illustrate the fact that compulsory legal efforts to establish rights are not always satisfactory?
8. What evidence is there that all people in the United States do not have "equality of opportunity"? In what ways is this situation being improved?
9. How have international relations affected the status of minority groups in the United States?

## DISCUSSION

1. Should questions of racial minority be openly discussed or should such matters be left for time to settle? Give reasons for your answer.
2. Discuss the desirability of a national antilynching and a national anti-poll-tax law.
3. Do you agree with the United States Supreme Court's decision regarding the "white primary"? Give reasons for your answer.
4. Some States have passed fair-employment laws. Do you think that the national government should pass a law making fair-employment practices compulsory in all States? Give reasons for your answer.
5. Do you believe that the United States Supreme Court was justified in renouncing the "separate but equal" doctrine as applied in the public school system? Why or why not? What are some of the problems that will have to be met before a nonsegregated school system will be attained?
6. "Separate facilities for minority groups can never be equal to those of the majority." Do you agree or disagree? Give your reasons.
7. If you were a property owner in an exclusive residential district, what would be your attitude toward the Supreme Court's decision on restrictive covenants? Would you feel the same if you were a member of a minority group?
8. What do you think would be the best procedure in establishing equal rights in an area where the folkways and mores are not in accord with the statutes compelling equality?

## TERMS

**Caste:** As used in this chapter, refers to a group of people who are considered so different from other people in a biological sense that they cannot intermarry, cannot have close sociable relations, and cannot engage in the same occupations.

**Ethnocentrism:** A person's belief that his own group or race and culture are superior to all others. (See Chapter 3, Volume I.)

**Mestizo:** A person of mixed blood; especially, in Mexico, the offspring of a person of European stock and an Indian.

**Third degree:** Severe examination or treatment of a person accused of crime—commonly by continuous questioning over excessively long periods but at times by physical torture by police to get an admission or confession of the crime.

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## PART II

## *Social Policy*

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The complexities of society may cause a reflecting person to wonder how the varied aims of man-in-society may be attained. The means of accomplishing these aims are called *social policies*. Part II, "Social Policy," gives a sketch of the history of such policies in the United States. In the promotion of social goals, society has relied increasingly upon government, and therefore social policy has become in large part synonymous with public, or governmental, policy.

The desire for betterment of the conditions of life is evident in all organized societies; cultural change usually occurs with the purpose of improving the welfare of the group. The history of the family, for example, shows that any particular society possesses that form of the family which it considers best for it. Community organization takes shape in a way intended to advance the welfare of the people of the community. Historical movements, such as the Commercial Revolution, Industrial Revolution, and the growth of democracy, wrought changes in the societies of nations that helped improve general conditions of living. This chapter traces social reform movements in the United States and serves as a background for the following chapters on social policies.

#### TREND OF SOCIAL REFORM IN THE UNITED STATES

The United States has experienced certain periods especially characterized by reform and change. During these times, the people have had a deep-seated belief in social progress, and this attitude has been translated into action in various fields of human interest. A time of reform usually has been followed by a period of reaction, when it seemed to reformers that many hard-won gains were lost. But another period of ferment and reform came, and more social gains were made. Thus the story of social progress in this country has been one of alternating periods of advancement and periods of reaction. In each period of reform, however, an impetus was given to the older reform movements, and new ones were started; the result has been the accumulated social gains enjoyed today.

If one were to select a single thread running through all periods of ferment and reform, it would be the constant striving for the protection or advancement of the common man. The term *common man* has had different connotations at different times, of course, but generally it refers to the great majority of people, who live their lives without the special privileges that come from wealth, special talents, or inherited social position. In the language of the newspapers, the common man is "the average man," "the man in the street," or "John Q. Public."

The advancement of public welfare has been synonymous with the advancement of the social status of the common man. The struggle for the furtherance of the interests of the common man has been difficult; always some pressure groups and vested interests have opposed attempts to promote the welfare of the public as the goal of public policy.

The figure below shows the general trend of reform in the United States. The times of deep-seated belief in social progress are indicated by the peaks in the line of the diagram. These times have been followed by periods when the gains seemed to have been lost, as indicated by the dips in the line. Another reform movement followed, however, and the level of the gains (shown by the broken lines) always was higher in the new movement than in the preceding one.

## EARLY REFORM MOVEMENTS

### Jeffersonianism

The early years of the nineteenth century witnessed the beginning of several attempts to better social conditions in the United States. These attempts were influenced by Thomas Jefferson's advocacy of individual freedom; his concern for the ordinary people placed a new value on individual worth and welfare.

One of the reforms advocated by Jefferson and his followers was the provision of educational opportunities for all members of society. The reformers advocated public support of education instead of the church support and control that existed at the time. They based their position on the grounds that in a democracy the electorate should be enlightened and that government should accept the responsibility of providing the means of enlightenment. The reformers, however, realized that a long time would be required to achieve this goal, and they believed that in the meantime the

general welfare of the people, who had little voice in government, should be advanced by humanitarian legislation. Accordingly, efforts were directed toward revising the penal code, improving conditions in prisons, and eliminating imprisonment for debt and other harsh laws that bore heavily on the common people. Slavery was condemned as inhumane and unjust. A movement was begun to separate church and State where the church still was supported by public funds.

### TREND OF REFORM IN THE UNITED STATES

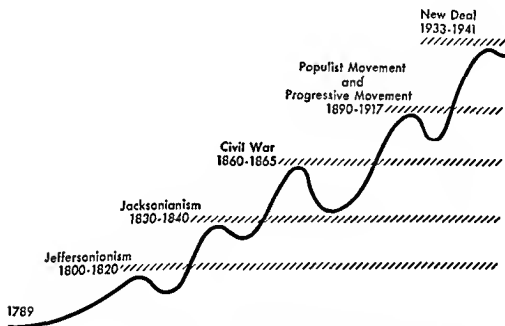


Figure 9. This diagram illustrates the times of progress and reaction of the social reform movements in the United States

Only a few of the Jeffersonian reforms were effected at the time, but movements were started which were successful in later years. Nearly all of the social reforms advocated eventually came to be accepted as commonplace.

#### *Jacksonianism*

For about a decade after 1820, reform efforts were few, but in the 1830's, there came another period of ferment and reform. Andrew Jackson was President of the United States during most of the decade, and because his personality dominated the politics of

the country, his name usually is used to give a name to the time. Jackson actually did little to support the wave of reforms, but since he was considered the "people's President," he personified the efforts to improve the status and welfare of the common man in society. The time was ripe for the widespread reforms that were advocated. Though these reforms touched many phases of society, we shall consider only a few of the more enduring ones.

"Jacksonianism" generally refers to political reforms and attitudes influenced by the upsurge of democracy. Universal manhood suffrage, frequent elections, rotation in office, and other democratic political devices achieved during this period resulted in more interest by the masses of people in political affairs than at any previous time. The movement for political democracy was accompanied by a demand for general social reform. Several changes for the betterment of society, advocated during the period of Jeffersonianism, were championed again. For example, public support of universal education was connected closely with the movement for political reforms. An educated electorate, according to the reformers, was necessary for democratic government to function properly, and since the state would be benefited by the actions of such an electorate, one of its tasks was to provide educational opportunities for the citizens of the nation. Against determined opposition, particularly by property owners, the supporters of public education won their initial victory when Massachusetts in 1837 set up the first board of education in the United States. Other New England States soon provided for public support of education, and although the remainder of the States did not follow the lead of New England until after the Civil War, the principle of publicly supported education generally was accepted.

Another Jeffersonian reform receiving widespread attention was the attack on slavery. To many reformers, the most important of all the causes aiming toward human betterment was the drive against slavery. This reform effort was organized under the leadership of William Lloyd Garrison, when in 1833 the American Anti-Slavery Society was established. The chief object of this movement was to abolish slavery. Naturally, the abolition movement was concentrated in the North, but the slavery question became an issue in national politics. It became so engrossing, indeed, that few national questions were considered separately from the dispute over slavery. The dispute between the North and South over slavery eventually was one of the issues leading to the Civil War.

Other Jeffersonian reforms were championed and extended by Jacksonian reformers. Imprisonment for debt was abolished; cruel and harsh punishment, such as flogging and torture, for minor crimes was restricted; and conditions within prisons were somewhat improved. An outstanding humanitarian reform in this respect was the work of Dorothea Dix of Massachusetts, who succeeded in getting many States to change their treatment of the insane. Instead of being thrown into prisons, the mentally ill were placed in asylums, where they received beneficial care rather than cruel punishment.

Organized religion also felt the impact of the reform spirit during the Jacksonian period. Interest in religion was high, and numerous converts eagerly accepted the message of every evangelist—that through faith every person could obtain divine help in improving himself. This doctrine of individual perfectibility was transmuted into that of institutional perfectibility as a fundamental belief in social thought. With the acceptance of such a doctrine, the way was opened for great changes in the life of the common man. If his church failed to give him the spiritual comfort that he desired, he felt justified in attending other churches where he could receive satisfaction.

The belief in individual and institutional perfectibility was evident in areas other than religion. If the material lot of a man was below expectation, he could work diligently for the improvement that he felt was not beyond his reach. If economic betterment were to be achieved by the laboring group, however, united effort was necessary to obtain concessions from unwilling employers in the form of higher wages and better working conditions. The period of Jacksonian democracy was a time of attempts to develop and strengthen labor organizations. Some unions were formed during the 1830's, but most of these did not survive the panic of 1837. In the next decade, the unions were difficult to revive because of the large number of immigrants who flooded the labor market. The most tangible gain came in the form of court decisions that laid the legal basis for later union activity. Of outstanding importance was the Massachusetts case of *Commonwealth v. Hunt* in 1842, in which the court held that labor unions were not conspiracies against employers and recognized the right of the workers to organize.

The struggle for economic democracy and individual perfectibility turned the attention of reformers to a large segment of the

population that was disfranchised and otherwise discriminated against. Leaders such as Frances Wright, Lucy Stone, Lucretia Mott, Susan B. Anthony, and Elizabeth Cady Stanton demanded suffrage for women and a change in laws dealing with property rights, so that married women might retain full control of their property. Immediate gains from the struggle for women's rights were not extensive, but some States enacted legislation allowing married women to control their own property. Some girls' schools were founded, Oberlin College opened its doors to women in 1833, and some women were admitted to professions, such as medicine and theology, long closed to them. Although these gains were few, the groundwork was laid for future progress, and the crusade for women's rights persisted, eventually gaining most of the desired objectives.

In addition to the reform groups advocating these measures, the American Temperance Society worked to abolish the use of alcoholic beverages. The fight against strong drink was carried so far that some of the members even gave up the use of tea and coffee. Some societies fought against the use of tobacco as the primary cause of many diseases. Other groups carried on a crusade against the use of profane language.

The Jacksonian social reforms were based on the belief that, through individual and social perfectibility and equalitarianism, the welfare of the individual and society could be improved. Any reform effort had its supporters if that effort promised the common man greater opportunities for economic betterment and social status in the American way of life.

### *Reform during the Civil War and Post-Civil War Periods*

The Civil War period was one marked by a great deal of idealism and humanitarianism, particularly in the North. When freeing the Negro slaves became an official objective of the North in waging the Civil War, a great impetus was given to other reform movements, such as temperance or prohibition, women's rights, and prison reform. The most important result of these reform efforts, however, was the emancipation of the slaves. Granting the right of suffrage to the freed men soon followed.

In the period following the Civil War, the idealism of the war gave way to reaction. Some of the reform movements continued, though with a lag in interest and in accomplishment. But there were some demands for political and economic change, among them movements for civil service reform and promotion of free

trade, and organizations of the "embattled farmers." Indeed, the farmers took the center of the stage in reform efforts during the 1870's and 1880's. The Grange, the Farmers' Alliance, and the Populists framed political, economic, and social programs of a reformist nature. Some of the reforms advocated were put into effect during the 1870's and 1880's, but most of them were delayed until the twentieth century. The influence of these farmers' organizations was considered in Chapter 23, Volume I.

The story of social progress now has been carried to the time of the Progressive Movement. This movement started during the last decade of the nineteenth century, and from that time to the present, the society of the United States has experienced almost constant striving for human betterment. These recent efforts of reform are embodied in the developments known as the Progressive Movement and the New Deal.

## THE PROGRESSIVE MOVEMENT

### *Background*

By the last decade of the nineteenth century, the people of the United States had completed the conquest of the continent, and the frontier line had disappeared. Tremendous industrial developments had made the United States one of the leading manufacturing nations of the world. Great strides had been made in expanding and improving agriculture. Industrialization and urbanization, probably the outstanding new characteristics of American culture, tended to produce economic, social, and political problems of great variety and complexity. In the cities, the problems of chaotic growth were evident. Little intelligent effort was made to plan for city growth and to prevent overcrowding. Most of the large cities failed to provide parks and recreational facilities, modern building laws, and adequate sanitation. In the slum districts, life was a continuous battle against the filth, disease, and vice engendered by overcrowded conditions. In sharp contrast were the spacious "palaces" of the leaders of the new industrial order. The maldistribution of wealth in the United States was dramatized in the contrast of these conditions of living.

A study of the distribution of wealth in the United States was made by C. B. Spahr in 1896.<sup>1</sup> Spahr revealed that 1 per cent of the families owned more than half of the national wealth and 12

<sup>1</sup> C. B. Spahr, *The Present Distribution of Wealth in the United States* (New York: T. Y. Crowell Co., 1896).



per cent owned nine-tenths of the wealth. This concentration of wealth was primarily in the form of corporate holdings. In addition to the social effects of the maldistribution of the resources and wealth of the nation, organized wealth was active in directing political affairs at all levels of government. Laws to restrain trusts and railways were flouted openly, and a spirit of unbridled materialism infected almost every branch of business and society.

Consolidation of business units had resulted in the formation of large business combinations. In 1899, ninety-two combinations were formed, including the Standard Oil Company, a holding company controlling the properties of the Standard group, and the Amalgamated Copper Company, capitalized at \$175 million. Two years later the \$1 billion United States Steel Corporation was formed, and in 1902 the International Harvester Company absorbed the five leading manufacturing businesses in its field. Huge monopolistic structures also grew in other fields of industry.

The guiding hand in such combinations was some dominant banking group, such as the Morgan and Rockefeller interests. A well-defined community of interest among leaders of finance was held together by stock holdings, interlocking directorates, and other forms of domination over banks, trust companies, railroads, and industrial corporations. Thus a "money trust" existed—that is, a vast and growing concentration of control of money and credit centered in the hands of a few men.

In addition to the concentration of wealth in the hands of a few and the influence of organized wealth in government, other undesirable conditions existed in the society of the United States. Characteristic of these conditions were the wide prevalence of poverty, racial discrimination, wasteful exploitation of natural resources, economic exploitation of women and children, and domination of religion, education, and the courts by big business. Toward these conditions of society most people had a fatalistic attitude in the opening years of the twentieth century. If the confident spirit of democracy in the United States were to be revived, bold and spectacular methods needed to be used to arouse the nation.

Important in causing the people of the United States to abandon their fatalistic and hopeless attitude was the work of men and women who published articles exposing some of the existing undesirable conditions. Some of these writers seemed engrossed in digging up the filth of the times and presenting sensation for sensation's sake. President Theodore Roosevelt likened them to the Man

with the Muckrake in Bunyan's *Pilgrim's Progress*, whose absorption in the filth on the floor caused him to refuse a celestial crown. The term *Muckrakers*, aptly applied to a few, was applied quite unjustly to all. Most of these writers, however, accepted the term as a badge of distinction.

The "era of the muckrake" began in 1902, but articles of protest had been appearing for several years. Like all important historical movements, the rise of progressivism did not occur suddenly. A number of popular magazines, such as *McClure's*, *Everybody's*, *Pearson's*, the *Cosmopolitan*, and the *American*, began to carry articles of exposure and found their circulation increasing considerably. Several outstanding writers contributed to the magazines. Probably the most sensational writings in this vein were David Graham Phillips' attacks on the United States Senate (*The Treason of the Senate*) and Thomas W. Lawson's indictment of the ways of big business (*Frenzied Finance*). Novelists also contributed to the ferment of social revolt. For example, Frank Norris depicted the struggle between the farmers and the railroads in *The Octopus*, and dealt with the grain speculation of the Chicago exchange in *The Pit*. One of the most powerful in its immediate effects was Upton Sinclair's *The Jungle*, which brought to light the filthy, loathsome, and criminous conditions in the stockyards and meat-packing plants of Chicago.

The Muckrakers were instrumental in the achievement of some reforms, such as meat-inspection acts, pure food and drug acts, and some improvement in patent-medicine and life-insurance advertising. The most beneficial effect of their work, however, was the moral awakening of the masses, which resulted in the strengthening of the reform movement. The Muckrakers did not want to abandon the capitalist system, but they hoped, by exposing its abuses, to show the way to improvement.

The first formal efforts for reform were made in the cities and States. Boss rule in the cities was fought, and several mayors—for example, Tom L. Johnson of Cleveland, "Golden Rule" (Samuel M.) Jones of Toledo, and Seth Low of New York City—won reputations as reform administrators. Reform spread from the cities to the States, and such governors as Robert M. LaFollette of Wisconsin, Joseph W. Folk of Missouri, Charles E. Hughes of New York, and Hiram Johnson of California moved against the strongholds of entrenched privilege and political bosses. The direct primary election; initiative, referendum, and recall; popular election of Senators;

his actions. In his first message to Congress in December, 1901, he expounded his views on the principal questions confronting the country. He pointed to the complex industrial development of the past half-century and to the resulting social problems. He held that the concentration of business was natural and desirable and opposed the policy of breaking up business combinations on the grounds of their size, but he called for legislation to eliminate the abuses of big business. He asked also for broad power to regulate the railroads. The President approved of law-abiding labor unions and advocated legislation for the protection of women and children in industry. In addition, he directed attention to the need for conserving the country's natural resources and of stopping practices of wasteful exploitation.

Approval of the President's message was widespread, but the vested economic interests in control of Congress and of the Republican Party organization did nothing to put the recommendations into effect. The President then carried his message directly to the people, making speaking tours through the Midwest and New England. His theme was the same wherever he went—regulation by the national government and a "square deal" for all—for capital, for labor, and for the public. Roosevelt maintained that no individual or group of individuals should be more powerful than the government. The Square Deal rested upon the authority and responsibility of the national government, on the one hand, and the recognition of democratic rights and obligations, on the other.

**POLICIES OF THEODORE ROOSEVELT** The appeal of the President to the people helped to arouse public sentiment in favor of his program. Popular pressure caused Congress to make some concessions to Roosevelt's demands for extending governmental regulation. The powers of the Interstate Commerce Commission were enlarged, so that it had effective regulatory control over railroads, telegraph and telephone lines, express and sleeping-car companies, and pipe lines. A Department of Commerce and Labor was set up in the President's cabinet. A meat-inspection law, requiring inspection by the national government of all businesses selling meat in interstate commerce, and a pure food and drug law were enacted. A statute forbidding corporations to make campaign contributions in national elections was enacted in 1907.

The Roosevelt administration took steps to enforce the regulatory acts that were on the statute books. Suits for violating the antitrust

on the statute books during Roosevelt's presidency. The Interstate Commerce Commission was given additional powers; the authority of the government in conservation matters was increased; a parcel post law and a postal savings law were put into effect; and the program of conservation was carried forward. A Department of Labor was created in which a Children's Bureau was established to study problems of child welfare. Two amendments were added to the Constitution. The Sixteenth Amendment empowered Congress to levy an income tax without apportioning it among the States according to population. The Seventeenth Amendment provided for the election of United States Senators by popular vote instead of selection by the State legislatures.

Besides creating an outstanding legislative record, the Taft administration conducted nearly twice as many antitrust cases as had Roosevelt's Attorney General. The Standard Oil Company of New Jersey and the American Tobacco Company were two of the largest business combinations dissolved by litigation. The success in winning such cases made President Taft more a "trust buster" than his predecessor, though he never was accorded the title by popular sentiment.

In spite of the constructive achievements of the Taft administration, the President was not able to capture public support as had Roosevelt. As the time of the presidential election of 1912 drew near, the insurgents, or Progressives, in the Republican Party began making plans to unseat Taft in the nominating convention. They organized the National Progressive Republican League and persuaded former President Roosevelt to run for the presidential nomination. When the Republican convention met in Chicago, June, 1912, Taft was nominated, but more than three hundred Roosevelt delegates withdrew and formed the Progressive Party. Roosevelt was nominated for President, with Governor Hiram Johnson of California as his running mate.

The tenets of the Progressive Party were incorporated in a book, *The New Nationalism*, which was composed of Roosevelt's principal campaign speeches. In general, the Roosevelt creed expanded the goals of the Square Deal and stood for a strong national government that would control the exploiting tendencies of vested interests. The Democratic Party nominated Woodrow Wilson, the reform Governor of New Jersey, and in the campaign of 1912 Roosevelt and Wilson advocated much the same platform. In the election, Taft was supported by conservative groups, while Roosevelt and

Wilson, moving along nearly parallel lines, were supported by the liberal and reform groups. The split in the Republican Party aided Wilson in winning the election, and he became President in March, 1913.

### *The New Freedom*

**MEANING AND POLICIES** The election of 1912 was a victory for progressivism; President Wilson showed no disposition to evade any of the urgent questions of the time. His program of reform is referred to as the New Freedom, and a book containing his principal campaign addresses was published under that title. The New Freedom clearly stemmed from sources and arrived at objectives similar to Roosevelt's program of New Nationalism. Wilson was concerned about giving the common man—the "little man," as Wilson referred to him—his rightful place in society. He felt that he had a solemn mission to commit his party to reform. He believed in democracy and in the theory that the chief executive as the elected representative of the people was commissioned by them to carry out the program upon which he was elected.

Immediately after his inauguration, the President called a special session of Congress to revise the tariff. This special session and the regular session that followed enacted more major laws providing for reform and change than had been passed under any previous presidential administration. For the first time in a quarter of a century, the tariff was reduced, and a Tariff Commission was established to handle the tariff question in a technical rather than a political manner. The Federal Reserve Act, which reorganized the national banking system, was passed to provide for elasticity of the currency of the country and to place the banking system more directly under the control of the national government. A Federal Trade Commission was set up to remedy many abuses in business practices. The Clayton Antitrust Act supplemented and strengthened the Sherman Act of 1890. New legislation provided for the arbitration of railway labor disputes, for an eight-hour day for railway workers, and for improved working conditions on United States merchant ships. Further acts of Congress made provisions for national aid in constructing State highways, for federal farm loan banks to improve credit facilities for farmers, for the development of the resources of Alaska, and for the enlargement of self-rule in the Philippines and Puerto Rico.

The reform program was well under way and might have gone

further had not foreign affairs begun to occupy the attention of the Wilson administration. Trouble with Mexico and the outbreak of World War I resulted in lessened attention to domestic reform. With the entrance of the United States into the war in 1917, the reform movement was suspended for the duration of the nation's war effort.

**CONTRIBUTIONS TO THE PROGRESSIVE MOVEMENT** Woodrow Wilson was able to express the beliefs of the reformers of the time and to provide the necessary leadership for putting many of the proposed reforms into effect. Through the program of the New Freedom, the idea that national problems can be dealt with only by national authority was endorsed and made effective. In this respect, the New Freedom extended the meaning of the Square Deal that undesirable conditions in society called for action by the national government. President Wilson, however, was unwilling to go to the extent of using national authority for primary, positive action in determining the course of the socioeconomic system. He believed that the free-enterprise system should remain the dominant force and that the national government should act only as a check against abuses in the system. At one time he said: "We have got to set the energy and the initiative of this great people absolutely free."<sup>5</sup>

The New Freedom gave definite expression to the spirit of liberalism and reform prevalent at the time. Once having set the national government on the path of intervention in economic and social affairs, however, the New Freedom laid the basis for governmental intervention of a nature that would go further than remedying existing abuses. Consequently, when the next wave of reform came, under the leadership of the New Deal, the national government extended its authority by policies of positive action to direct the nation's strength and resources into the advancement of social welfare, in addition to correcting undesirable conditions.

## THE PROGRESSIVE MOVEMENT RETARDED

During World War I, the attention and energy of the nation were directed toward the successful prosecution of the war. Then for a period of about ten years, during the 1920's, the United States experienced unprecedented prosperity. This period of the "Golden

<sup>5</sup> Woodrow Wilson, *The New Freedom* (New York: Doubleday, Page & Co., 1913), p. 292.

Glow," as the time of prosperity has been called, was one in which conservatism influenced governmental policies. President Warren G. Harding's slogan "Back to Normalcy" and President Calvin Coolidge's statement, "The business of the United States Government is business," reflect the attitude of the time. Business and government were again friendly. Confidence in individualism and *laissez faire* was widespread, and the agencies and laws established to regulate economic forces were administered by friends of business interests. Furthermore, the people of the United States were so engrossed in the continuance of material prosperity that any attempt to resurrect the reform movement of prewar days was frowned upon.

Although all seemed well on the surface, stresses and strains existed in these prosperous years. The farmers experienced adverse circumstances, unemployment prevailed in some places, and reckless speculation in stocks and bonds was widespread. The glamorous period of the "Golden Glow" came to an abrupt end with the collapse of the stock market in the autumn of 1929. Almost immediately confidence languished, unemployment increased, new investments disappeared, and banks and business houses began to close their doors. The nation entered a period of major economic depression and adversity.

President Herbert Hoover assumed the duties of his office the year the depression began. A staunch believer in individualism, Hoover was reluctant to use the resources of the national government to meet the forces of the depression. As the pressure increased, it is true, the President recommended some national measures to relieve the adverse economic conditions, but he was inclined more to follow the policy of his immediate predecessors in economic matters until near the end of his term. Then the force of circumstances compelled him to shift his position, particularly with respect to using the national government as an agency to provide relief for the distressed. Widespread business failures, mounting unemployment, declining prices, and loss of foreign markets brought popular demand for governmental action. A public works program to absorb the unemployed was launched, and before the end of the Hoover administration more than \$2.25 billion had been spent for such purposes. In 1932, national funds were provided in the form of loans to the poorer States to the extent of \$300 million for unemployment relief. Loans were made to railroads, insurance companies, and banks through the Reconstruction Finance Corporation,

a government lending agency; and more credit was made available through liberalized lending policies of the Federal Reserve Banks. More liberal extension of credit was based on the theory that such credit would stimulate business activity and increase employment. Shortly before the end of Hoover's term, Congress established Home Loan Banks for the purpose of furnishing mortgage loans at low rates of interest to home owners.

Despite the efforts of the government to stem the tide of depression, conditions gradually grew worse. During the presidential campaign of 1932, the nation was in a slough of economic depression. In the campaign, the Democratic Party, led by Franklin D. Roosevelt, advocated a renewal of the philosophy of progressivism and a program of relief, recovery, and reform. The Roosevelt program appeared to be more attractive to the voters than the policies of President Hoover, who was renominated by the Republican Party. The Democrats won the election by a decisive margin and inaugurated their program, which Roosevelt referred to as the "New Deal."

## THE NEW DEAL

### *Philosophy*

President Roosevelt had been a close student of both the Square Deal and the New Freedom. He publicly stated that his social and economic philosophy was molded to a great extent by his interest in the work of Theodore Roosevelt and Woodrow Wilson. He resumed the program and philosophy of progressivism and proceeded to add what he felt the needs of the time required. Like the Square Deal and the New Freedom, the New Deal was concerned about the welfare of the common man. Particularly there was held out the promise of a "new deal" for the "forgotten man"—the "one-third of a nation ill-housed, ill-clad, ill-nourished." According to Roosevelt, the government was of the people and for the people, and it was charged with the responsibility of providing protection for every man in his right to make a "comfortable" living.

The President, while in no sense advocating the overthrow of the free-enterprise system, believed in the regulation of private enterprise in the interests of the people. In his thinking the general welfare was paramount, and no obstacle, whether it be such theories as laissez-faire individualism or states' rights or the actions of the courts, should stand in the way of promoting the common good.



Like Theodore Roosevelt and Woodrow Wilson, Franklin Roosevelt believed that positive and determined leadership by the executive was necessary.

On the basis of this philosophy, the New Deal undertook to establish public responsibility in vital economic activities. It sought to create a public policy toward all economic enterprises affected with a public interest. The intervention of the national government in industry, labor relations, agriculture, public utilities, or any other economic enterprise was justified as protection of the public interest. Such a policy was based on the assumption that the free-enterprise system of the past, when left to itself, was inefficient and often unresponsive to the public interest, and that the forces within the economy of the United States were not in equilibrium. To remedy the situation, it was necessary to bring about balance in the economy. This idea of a balance in the economic system was stated by President Roosevelt in an address in March of 1934: "What we seek is balance in our economic system—balance between agriculture and industry and balance between the wage earner, the employer, and the consumer. We seek also balance that our internal markets be kept rich and large, and that our trade with other nations be increased on both sides of the ledger."<sup>6</sup>

### *Reform Policies of the New Deal*

In his first inaugural address, President Roosevelt called for immediate action by the national government to meet the forces of depression. The measures that President Hoover had undertaken reluctantly and under the pressure of circumstances, Roosevelt carried on with zeal and confidence. National expenditures for public works, the Reconstruction Finance Corporation, liberalization of credit by Federal Reserve Banks, and the Home Loan Banks—all of them begun during the Hoover administration—were continued and their activities were extended. The three "R's" (Relief, Recovery, Reform) of the New Deal policies were closely related. Especially was this true of many of the recovery acts which involved reform features. Some of the recovery undertakings began as temporary measures but were transformed into continuing agencies of the government. Examples of these agencies were those established to help the farmers and laborers, such as the Agricultural Adjustment Administration and the National Labor Relations Board.

<sup>6</sup> Franklin D. Roosevelt, *Public Papers and Addresses*, III (New York: Random House, Inc., 1938), p. 125.

The New Deal was considered by President Roosevelt a means not only to meet immediate problems of the depression but also to destroy deep-seated wrongs and inequalities. He spoke of "social values more noble than mere monetary profit" and often warned against a return to the evils and abuses of the "old order." The reform activities of the New Deal spread widely, from a readjustment of the nation's banking system to measures providing for social welfare.

**REFORM AND BUSINESS** Extensive reforms were made with respect to business practices. Several laws were passed dealing with improvements and readjustments in the banking system. The Federal Reserve System was brought more directly under the control of the national government by giving the Board of Governors (the agency directing the Reserve System) power to regulate effectively the extension of credit by member banks and to unify the operations of the entire banking system. The Federal Deposit Insurance Corporation was established to guarantee the safety of bank deposits up to \$5,000. (This amount was increased in 1950 to \$10,000.)

Investment and speculation in stocks and bonds were regulated by the establishment of the Securities and Exchange Commission (SEC). Information about new issues of securities by corporations had to be submitted to the SEC, and stock exchanges were licensed, and their practices controlled, by the SEC.

The regulation of public utilities, particularly electric power utilities, was given considerable attention. One means of providing electric power at low rates was the establishment of the Tennessee Valley Authority.<sup>7</sup> The Rural Electrification Administration was created to lend money for the building of power plants and transmission lines, especially in rural areas. In addition to the ventures in public ownership and lending of money, the national government curbed the operations of public utilities by regulating holding companies in the public utility field. The Federal Power Commission was given authority to control utilities doing business across State boundaries, and all utility companies were required to register with the Securities and Exchange Commission. Rates were subject to control, and no company could issue new stocks and bonds without permission of the SEC. To control pyramiding, holding companies were prevented from having more than one intervening holding company between them and the operating concerns.

<sup>7</sup> See Chapter 3, "Planning in Society."

**REFORM AND AGRICULTURE** Agriculture had been in distress even during the prosperous 1920's, and when the depression struck in 1929, the plight of the farmer was severe. Several measures were included in the New Deal program to provide farm relief, and some of these measures had within them provisions for long-range adjustments and reforms. The two main features of the agricultural program were parity payments and soil conservation practices. These, as well as more recent, features were considered in Chapter 24, Volume I.

**REFORM AND LABOR** The depression of the 1930's took a heavy toll among the wage earners of the country. Unemployment rose to unprecedented heights, and millions of laborers and their families experienced extreme economic adversity. Immediately, the aim of the New Deal was to revive industry and to provide opportunities for employment. Various laws were enacted to bring about business recovery and increased employment. Included in these measures, as well as in other laws designed to strengthen labor's status in the nation's economic order, were provisions that gave organized labor more rights than it had ever had. Two of these acts were the National Labor Relations Act of 1935 and the Fair Labor Standards Act of 1938. We have considered both of these acts in Chapter 22, Volume I.

**REFORM AND HOUSING** The inadequacy of low-cost housing had been recognized as a major problem for a long time, but during the depression the housing problem became acute. Several national agencies were established by the New Deal to cope with this situation. Among these agencies, the Federal Housing Administration insured commercial loans to prospective builders for as much as four-fifths of the investment. The United States Housing Authority was created to channel loans to local public agencies for the purpose of encouraging them to eliminate slum areas and construct low-rent housing units. On the whole, the results of these endeavors for better housing proved disappointing.

**REFORM AND SOCIAL SECURITY** Of all the New Deal reforms, none dealt so comprehensively with the problem of the socially unfortunate as the Social Security Act of 1935. The program of social security committed the nation to a policy of assisting the jobless, impoverished, and unfortunate by governmental action. It went beyond the conception of national responsibility of providing relief

only in time of emergency by making aid possible to those persons who are unable to provide for themselves as a result of the social and economic conditions of modern society. The principal features of the Social Security Act and its subsequent amendments, as well as other reform efforts begun during the New Deal or initiated during World War II and the postwar period, are considered in the following chapter.

## SUMMARY

Social reform movements are evidence of the desire of the people to improve the conditions of life in the United States. A strong belief in social progress has persisted, the central theme being the betterment of conditions for the common man, which is synonymous with the improvement of social welfare. Reform movements usually develop to remedy conditions that are considered evils or abuses in society. These movements have been characterized by periods of reforming zeal followed by periods of reaction. This characteristic of reform is due, no doubt, to the high degree of emotionalism involved in reform efforts and the inability of reformers to sustain emotionalism over a long period of time.

In each reform period, a particular kind of reform has dominated the reform effort. During the time of Jeffersonian reforms, for example, the worth and freedom of the individual was paramount; during Jacksonian reform, it was individual and social perfectibility and equalitarianism; during the Civil War, idealism and humanitarianism were dominant; and during the Progressive Movement and the New Deal, the welfare of the common man was basic.

In the early reform movements—that is, those before the Progressive Movement—attention was centered on particular social conditions and reforms. Such reforms included, for example, publicly supported education, improvement of prison conditions, women's rights, and abolition of slavery. From the time of the Progressive Movement to the present, however, reform movements have been more general in nature. The aim has been to expose all undesirable conditions in society and to propose programs to improve the welfare of society in its totality. An outstanding characteristic of the later movements has been advocacy of the use of governmental authority, particularly that of the national government, to assume responsibility for the economic and social consequence of the operations of the social order.

Opposition to the use of governmental authority naturally developed. Those people who held to *laissez faire*, the unrestrained operation of economic forces in a free-enterprise system, were not in favor of governmental intervention in social and economic affairs.

None of the prominent leaders of the reform movements, however, advocated policies aimed at the overthrow of the free-enterprise system. Rather, the aims were to strengthen the system by eliminating undesirable features, and to meet the needs of the time by providing necessary adjustments. During the time of the Square Deal, President Theodore Roosevelt advocated intervention of government in limited areas of economic activity. President Woodrow Wilson, in the New Freedom program, endorsed this advocacy and used governmental authority more extensively than it was used under the Square Deal. In both instances, governmental power was used mainly to correct abuses. In the New Deal under President Franklin Roosevelt, governmental authority was utilized in a positive way, to direct and control the social order in many respects. In all three instances, however, the strengthening of free enterprise was a principal objective. Franklin Roosevelt's admonition to "reform in order to preserve" had been part of the thinking of reformers before his time.

During the twentieth century, the social reform movement has been an almost continuous development. The reforms of the New Freedom had their bases in the measures of the Square Deal, and many of the reforms of the New Deal had their precedents in the Square Deal and the New Freedom. As a result of this continuity of development, the government generally has been accepted as the chief agency for promoting public welfare—that is, public welfare has been established as the goal of public policy. In a constantly changing society, social, economic, and political problems will continue to arise. How these problems may be met cannot be predicted accurately, but a reasonable assumption is that government will play an active part in meeting them, because the people of the United States have looked increasingly upon their government as the guardian of public welfare.

## QUESTIONS

1. What have been the general characteristics of social reform movements in the United States?

2. Explain the main contributions of Thomas Jefferson to social reform in the United States.
3. Relate the ideas of individual and social perfectibility and equalitarianism to the reforms of Jacksonianism.
4. What conditions in American society gave rise to the Progressive Movement?
5. Give an account of the work of the Muckrakers. What was their main contribution to social reform?
6. What was the chief contribution of Theodore Roosevelt and the Square Deal to the Progressive Movement? Of Woodrow Wilson and the New Freedom?
7. What were the important laws adopted in Wilson's first administration? What groups or interests were benefited by these laws? What groups or interests were disregarded?
8. In what ways did the administration of President Taft continue the progressive reforms of the previous administration?
9. Why were the reforms of the Progressive Movement discontinued during the 1920's?
10. Make a list of New Deal projects or measures that have become permanent features of public policy.

## DISCUSSION

1. Why have social reform movements occurred intermittently and spasmodically in the United States?
2. Contrast Franklin Roosevelt's social philosophy with that of Thomas Jefferson.
3. Was the Progressive Movement a partisan matter? Give reasons for your answer.
4. Would a "New Deal" have taken place even if Hoover had been re-elected in 1932? Justify your point of view.
5. Why have the purposes behind the philosophy of the New Deal been the cause of so much controversy in this country?
6. The Republican candidates for President from 1940 to 1952 were unwilling to advocate the abandonment of most of the New Deal program. Why?
7. Most of the reforms advocated at the beginning of the twentieth century have been adopted. Some people argue that there is a need for another list of proposed reforms on which to work. What do you think some of these reforms would be?

## TERMS

**Equalitarianism:** Holding to the view that men are equal, especially politically and socially.

**Individual perfectibility:** The ability of the individual to improve his condition in society by his own efforts.

**Individualism:** A theory maintaining that individual initiative, action, and interests should be independent of governmental or social control.

**Penal code:** A code of laws covering crimes and offenses and their punishment.

**Public welfare:** The condition, such as health, happiness, prosperity, and the like, of all of society.

**Pyramiding:** The process by which a holding company (A) is organized to control the assets of a number of operating companies, and in turn another holding company (B) is organized to control the assets of holding company (A), another holding company (C) to control the assets of (B), and so forth. In this way, increasing amounts of assets may be controlled by decreasing amounts of investments. (This process is explained in Chapter 15, Volume I.)

**Social progress:** Adaptation of social institutions and processes to meet the needs of changing conditions of modern living.

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In the present chapter we shall consider some of the recent social reforms in the United States. Not all of the reform proposals are discussed, of course; a selection has been made of those that have been of most concern to a large number of people. First we shall consider the social security program, inaugurated during the time of the New Deal. Second, the problem of health security, which has been given increased attention in recent years, merits discussion. Third, since social reform has been influenced by World War II and the defense program after the war, and since many of the governmental controls imposed during that time have been aimed at protecting the welfare of the common man, some consideration is given to those controls. Finally, since public welfare has become the criterion of public policy, with the consequent extension of governmental activity into areas formerly reserved for private activity, the problem arises as to how much personal freedom must be sacrificed for security. We shall consider this problem in the concluding section of the chapter.

## SOCIAL SECURITY

Almost every person in the United States who has reached an age at which he is cognizant of social matters is aware that we have a social security program. At present, millions of citizens are actual participants in the program. The adoption of the social security program resulted from a general recognition of the need to take care of the members of society who are unfortunate or are unable to support themselves and their families, the need arising from unemployment, accident, sickness, physical impairment, desertion, old age, or death.



### *Early Social Security*

Man's need for social security has not been of recent origin; it has existed from ancient times to the present, and some efforts have been made in almost all societies to meet this need. Slavery during ancient times and serfdom during medieval times provided a degree of security, but those receiving security were not free persons. In early modern times, some nations—for example, England—made some provision for meeting the problem of insecurity for the unfortunate and those in need. In these instances, the influence of ancient and medieval methods is seen in that those persons who received public aid were denied some of the rights and freedoms generally accorded to free citizens. The English Poor Laws of the sixteenth and following centuries gave some help to persons in adverse circumstances, but these measures were inadequate and their administration was often mismanaged.

In 1834, a law of the English Parliament revised the previous poor laws and provided for more effective public aid to the unfortunate. Nevertheless, under this law, as well as the previous ones, most of the recipients of public aid were required to surrender some of their personal rights and freedom in order to obtain the aid granted them. For example, they were often confined in workhouses, had their property and names publicly posted, and surrendered control of their personal affairs to an overseer. For those who were eligible for aid and not confined in workhouses, the help provided varied in form, amount, and frequency. In general, a recipient of public aid was considered a pauper, was under popular disapproval, and paid with much of his personal freedom for a haphazard and uncertain form of security.

That society has some obligation to help care for the unfortunate and those in need was recognized in these early social security programs, but this obligation was not taken seriously. Society was only too willing to place most of the burden upon relatives, friends, the church, or philanthropic organizations. The early social security measures also indicate the social fact that a person who received public aid was stigmatized as indolent, shiftless, and unworthy of a status in society equal to those who were not dependent upon society.

### *Changes in Social Attitude toward Social Security*

During the latter part of the nineteenth and early part of the

twentieth centuries, members of society in some countries, particularly in industrialized nations, came to look upon insecurity as being in part a social problem rather than an entirely individual problem. As the business cycle in the capitalistic process of production moved through its various phases and prosperous economic conditions were followed by conditions of depression, millions of persons experienced unemployment. Workers willing to work were unable to find employment not through any fault of their own but because of the way the socioeconomic system functioned. Urbanization, with its concentration of population, brought sickness and disease in its wake to thousands of persons who lived in tenement and slum areas and who were unable to control their conditions of living. The industrial process, with its assembly-line methods of mass production and monotonous work-processes, took a heavy toll in nervous strain, accidents, and premature age. To stigmatize the needy and unfortunate as being improvident, indolent, and shiftless was considered unjust, because society began to realize that many persons became victims of social forces beyond their own control.

Further change in the attitude toward social security developed with the increase of old-age dependency in industrialized countries. In an industrialized society, age is a personal liability, since advancing age is a handicap in such occupations as manufacturing, mining, and transportation, which employ a large proportion of the total working force. A worker who has reached the age of forty or fifty has difficulty in finding employment in many kinds of work. The proportion of the total population in industrial countries that is sixty-five years old or more has been constantly increasing. For example, in the United States, in 1900, one in every twenty-five persons was sixty-five or more, and in 1950, one in every thirteen.

Because of the conditions of modern society, the care of aged persons who are without resources came to be looked on as the responsibility of society. The industrial wage system does not always permit the wage earner to earn enough to provide for his old age during his wage-earning period of forty to forty-five years, and at the same time support his family at a decent standard of living, rear and educate his children, and probably contribute to the support of aged parents.

The early attitude of society had been that the obligation of caring for dependent aged persons rested with their families, particularly with the children. The same industrial conditions that had

brought about an increase in the number of older people contributed to the existence of smaller families and to the urbanization of the population. Today, for example, the typical urban family in the United States consists of four members—father, mother, and two children—occupying an apartment or a small-family house. This situation often makes it difficult to care for aged parents, and care of the dependent aged becomes an obligation of the local community or private charity unless an organized nation-wide public old-age insurance or assistance program is provided. In either case, the public must provide aid, and with increasing numbers of aged persons, the cost of caring for them also increases. Dependency and destitution are expensive, not only in cost of actual assistance but also in the psychological results of constant fear of insecurity and loss of self-respect. The humanitarian sensitivity of members of society justifies some kind of publicly organized care for the dependent aged person on the grounds that he has earned the right to rest after years of productive effort and that his advanced age and invalidity make him incapable of continuing effectively in productive enterprise.

A third change in attitude toward social security is evidenced by the action of society, through government, in applying the principles of insurance to the problem of employee insecurity. Insurance had been used in commercial enterprises since the time of the Commercial Revolution, and some forms of social insurance had been used by trade unions and benefit societies in Europe as early as the last quarter of the eighteenth century. It was not until the last quarter of the nineteenth century, however, that a government inaugurated a social insurance program on a nation-wide scale.

In 1883, Chancellor Otto von Bismarck of Germany was instrumental in establishing sickness insurance in the industries of that country, with compulsory contributions made to the insurance fund by both employer and employee. A year later, industrial accident insurance was added to protect the worker, the employer alone financing this protection; and in 1889 old-age and invalid insurance was established and supported by the employer, the employee, and the state. Germany's lead in social insurance was soon followed by other European countries. Great Britain provided for workmen's compensation in 1897, old-age pensions in 1908, and unemployment insurance in 1911. The British unemployment insurance program was the first compulsory unemployment insurance program established on a nation-wide basis. France, Italy, Poland, and Bulgaria

were other European nations establishing similar social insurance programs during the first quarter of the twentieth century.

Insurance is based upon the general sharing of a common risk, and when it was applied to human security, a person, for the first time in the history of mankind, might maintain his independence and yet have some protection from adversity and misfortune. The adoption and operation of social insurance programs was a repudiation of the traditional assumption that men work only if driven to it. Now it became evident that self-reliance and thrift could be stimulated more by giving a man hope than by restraining him with fear. Packing the pauper off to the workhouse was replaced by a system that stressed freedom to look for work, and by aid through small sums of money. Reducing the fear of a helpless old age or invalidism or unemployment did not lead the worker to shun labor, as some had predicted, and productivity did not decline in countries that adopted social security programs.

### *State Social Security Programs in the United States*

During the time that legislation for security was being promoted in Europe, little was accomplished in the United States toward providing for a nation-wide program of social security. One of the chief reasons for this lag behind the European countries was that the new nation was large and fast-growing, possessed an abundance of natural resources, and provided ample employment opportunities. New land and new enterprises absorbed virtually all who wanted to work, and out of a huge wealth of food and materials, provision for those whom misfortune had struck was relatively easy. Until the second quarter of the twentieth century, only a few people in the United States had visions of a nation-wide system of social security. The States made provision for meeting certain—but not all—aspects of the social security problem.

**FAMILY SECURITY** In the States, security for the family received primary attention. A child labor law was passed in Massachusetts in 1836, and by 1909 all except six States had similar legislation. These laws varied markedly in scope and enforcement, but a common principle underlying them was that the unity of the family and the future health of the nation were dependent upon the welfare of the children.

Another step taken by the States to provide security for the family was the granting of aid to needy mothers. After 1911, Mis-

souri and Illinois led the way in providing such aid. The Missouri law inaugurated a plan of allowances to mothers "whose husbands are dead or prisoners, when such mothers are poor and have a child or children under the age of fourteen." By 1931, all but two States were providing aid to mothers with dependent children. Under most of the mothers'-aid plans, the community provided the assistance out of local tax funds. The Children's Bureau of the United States Department of Labor participated in this movement by setting up standards for the State plans. Although these programs often helped materially, they varied considerably in the amount of aid provided, and proved to be inadequate in many instances.

**WORKMEN'S COMPENSATION LAWS** Simultaneously with the passage of mothers'-aid laws, some States recognized the social obligation of providing for workers who were injured while engaged in their occupations. During the later part of the Progressive Movement, several States passed laws requiring employers to provide weekly cash benefits plus medical care for workers injured in the course of their employment. Interest in this type of protection spread rapidly. At present, all States have workmen's compensation laws, and a number of States have extended their laws to cover occupational diseases. The laws vary from State to State as to types of work covered, benefits, and duration of payments. In general, the laws cover temporary, not permanent, disability. None of the State laws covers all types of employment; in most States, farm work, domestic service, casual employment, and employment in nonprofit corporations are excluded.

Workmen's compensation places upon the employer a definite legal liability for occupational risks. Nearly all States have abolished the old common-law doctrine of assumption of risk and the fellow-servant rule as defenses of the employer,<sup>1</sup> thus placing the employee in a favorable legal position to obtain compensation for occupational accidents. The employer is liable not only for cases due to his own negligence but also for all other accidents. If, however, it can be proved that an accident is the result of a worker's deliberate and willful negligence, the employer is relieved of responsibility. Benefits are fixed by law according to a definite schedule of rates, which provides payments for injuries to the body, for medical services, and

<sup>1</sup> See also Chapter 21, Volume I, "The Rise of Labor in American Society," for a discussion of the common-law doctrines of assumption of risk and the fellow-servant rule.

to the dependents in case of death. Workmen's compensation laws have resulted in an increasing interest on the part of employers and their insurance companies in the prevention of accidents, as is indicated by the various "safety-first" campaigns in many industries. In general, the primary responsibility for avoiding industrial hazards has been removed from the shoulders of the worker and placed upon those of the employer.

**OLD-AGE ASSISTANCE** The growing realization of the inadequacy of nongovernmental provisions against destitution in old age resulted in the development of a definite policy and practice in protection of indigent aged persons. Arizona led the other States, with legislation in this field in 1914. This legislation was declared unconstitutional, but persistent efforts resulted in a number of States' establishing programs that were approved in court tests. Although most of the States had old-age assistance programs by 1935, the benefits paid by many were inadequate, and some States defaulted payments entirely during the early years of the depression of the 1930's.

In 1932, an attempt was made to provide national aid to supplement the State old-age pension programs when a bill prepared by the American Association of Old Age Security was proposed in Congress. For the first time a congressional measure for old-age pension legislation was reported favorably by a congressional committee, but it was not passed by Congress.

### *Conditions Leading to a National Social Security Program*

During the early decades of the twentieth century, three aspects of the social development of the United States became increasingly clear. In the first place, production, aided by technology, was sufficient to provide everyone with the necessities of life. The possibility of meeting the needs of the people was unquestioned. In the second place, life was becoming safer and people were living longer. For example, whereas in the hundred-year period from 1789 to 1889, life expectancy had increased by only eight years, in the next forty-year period, it increased by seventeen years. Although the possibilities of a longer life with sufficient necessities for living were increasing, a third condition was serving as a counteracting influence in social development. Earning a living was becoming less secure. As was explained in Chapter 22, Volume I, the United States has not been able at all times to maintain sufficient production to absorb

the seasonal, secular, cyclical, or miscellaneous unemployment. The Committee on Economic Security has estimated that about 8 per cent of the industrial workers are unemployed during normal times. Furthermore, the machine has reduced the possibilities of getting jobs for older workers. As was stated previously, industry has been hesitant to hire workers above forty to fifty years of age. Consequently, the number of unemployed in the older age group has grown steadily.

Despite this insecurity, social security continued to be of more concern to the States than to the national government. Until about 1930, the people generally believed that every man could establish his own means of meeting adversity. But within a few months after the stock market crash in 1929, public opinion changed. The events that brought about the change were common experiences throughout the nation—widespread unemployment, reduction of purchasing power, and numerous requests for aid. Local committees were organized to take up the task of unemployment relief. Voluntary funds were soon exhausted, and local public funds were provided. As these in turn were depleted, the various States enacted legislation providing aid from State funds. When money from this source was exhausted, the national government voted direct grants to the States for relief and set up various agencies, such as the Federal Emergency Relief Administration, the Public Works Administration, and the Works Progress Administration, through which workers might be re-employed. The care of those in need had come to be recognized as a problem of national scope. The movement culminated in the Social Security Act passed by Congress in 1935.

### *The Social Security Program*

The Social Security Act provides for nine distinct programs, all with the same basic aims—to keep persons and families from destitution, to keep families together, and to give children the opportunity to be reared in their own homes. Only one of the programs is operated by the national government—Old-Age and Survivors' Insurance. The other eight programs are operated by the States, with the national government co-operating and contributing funds. The total program may be divided into three main categories:

#### A. Social insurance

- (1) Unemployment insurance
- (2) Old-age and survivors' insurance

**B. Public assistance to the needy**

- (3) Old age assistance
- (4) Aid to the needy blind
- (5) Aid to dependent children
- (6) Aid to the permanently and totally disabled

**C. Children's services**

- (7) Maternal and child health services
- (8) Services for crippled children
- (9) Child-welfare services

Since unemployment insurance was discussed in Chapter 22, Volume I, the present chapter deals only with the other programs.

**OLD-AGE AND SURVIVORS' INSURANCE** The Social Security Administration and the United States Treasury administer the Old-Age and Survivors' Insurance (OASI) program. The original Social Security Act (1935) provided insurance coverage only for workers in commerce and industry and did not provide protection for their survivors. The survivors' insurance feature was added in 1939. Other amendments were added in 1950 and 1954. The major changes brought about by these amendments were the extension of the OASI program to cover more people and the increase of benefits paid to recipients.

At present, there are approximately eighty million people covered by Old-Age and Survivors' Insurance. Farm workers who receive from any one employer \$100.00 or more annually in cash wages, and domestic service workers who receive from any one employer \$50.00 or more in cash wages in a quarter year are now in the program. In 1954, employees of the national government not covered by an existing retirement system, persons employed in fishing and related activities on small vessels, and citizens of the United States working for foreign subsidiaries of United States firms were brought into the OASI program.

With a few exceptions, self-employed persons are also covered, if their earnings are \$400.00 or more a year. Self-employed persons were first brought into the program in 1950, but at that time, farm operators and several self-employed professional groups were excluded. In 1954, farm operators, architects, public accountants, engineers, and funeral directors were covered. The self-employed professional persons who are specifically *excluded* are lawyers, physicians, dentists, osteopaths, veterinarians, naturopaths, chiropractors, and optometrists. Those in these professions, however, are cov-



ered if they are employed by someone else. For example, a lawyer working on salary for a corporation is covered.

For some employees, coverage is not mandatory. In charitable, religious, educational, and scientific nonprofit institutions, inclusion in the program is elective. Employees in such institutions may come

## FUNCTIONING OF THE SOCIAL SECURITY PROGRAM

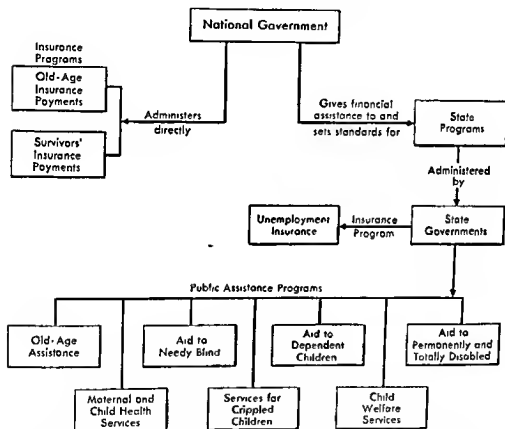


Figure 10. This diagram illustrates the different aspects of the social security program and how they are administered by the national and State governments

under the OASI program if the employing organization files the required certificate and if at least two-thirds of the employees desire coverage. Ministers, Christian Science practitioners, and members of religious orders who are employed by nonprofit organizations may secure coverage on an individual voluntary basis if their incomes are \$400.00 or more annually. Most employees of State and

local governments may be covered by an agreement between the State and national governments, providing a majority of the employees involved vote for coverage.

World War II veterans who meet certain service and discharge requirements and who are not getting other federal retirement benefits have been provided with wage credits of \$160.00 for each month of active service between September 16, 1940 and July 24, 1947. In 1952, the same credits were extended to servicemen in uniform after the Korean War started.

Most workers in the railroad transportation industry are not in the OASI program, since they are provided for under a national system apart from the Social Security program.

The Old-Age and Survivors' Insurance program provides regular monthly benefits for insured persons and their families when the insured reaches sixty-five years of age and retires and family benefits when he dies, at whatever age. The amount of benefits depends upon the time the covered employee has worked and upon his salary during the period of his covered employment. If the insured person is an employee, both the employer and employee contribute toward the benefit payments by means of a payroll tax of a specific percentage of the employee's wage. The tax rate is the same for each. If the insured person is self-employed, he alone contributes. The 1950 law changed the schedule of tax rates from the original Act. The present schedule of rates for employed and self-employed persons is as follows:

	Employed		Self-employed
	Employee	Employer	
1951-1953	1½%	1½%	2¾%
1954-1959	2 %	2 %	3 %
1960-1964	2½%	2½%	3¾%
1965-1969	3 %	3 %	4½%
1970 and subsequent years	3¾%	3¾%	4¾%

Before the new schedule for employed persons went into effect, one per cent had been contributed by both the employee and employer. The intent of the new rate schedule is to increase benefit payments and to make the insurance program eventually self-supporting. The rates apply only to the first \$4200 of wages for either an employed or a self-employed person. Under the original Act, the tax was levied on the first \$3000, and the 1950 law levied the tax on the first \$3600.

In 1950, benefit payments were increased an average of 77.5 per

cent over the previous payments, and in 1952 an additional increase, amounting to \$5.00 per month or 12.5 per cent, whichever were larger, was granted. In 1954, benefits were again increased, an increase ranging from \$5.00 to \$13.50 per month and averaging about \$6.00 per month. The 1954 law also increased benefits for those retiring in the future. The schedule of payments effective after June 30, 1956, establishes \$30.00 per month (formerly \$25.00) as the minimum and \$108.50 (formerly \$85.00) as the maximum payable to a retired worker; \$162.80 per month (formerly \$127.50) as the maximum for a husband and wife; and \$200.00 per month (formerly \$168.80) as the maximum benefit to a family.

The 1954 law allows a beneficiary to earn as much as \$1200 (including earnings in both covered and noncovered employment and self-employment) without losing his benefit payments, but he may receive income from investments without limitation. When a beneficiary has reached seventy-two years of age, he receives benefit payments regardless of the amount of his earnings.

In addition to the regular benefit payments, provision is made for a lump-sum death benefit payment to be made to the deceased worker's family. The amount of this payment is three times the monthly benefit payment but may not be more than \$255.00.

The Old-Age and Survivors' Insurance program, as well as that of unemployment insurance, is based upon the principle that since adversity is experienced by only a comparatively few persons at any given time, sharing the cost and spreading the risk will eliminate a substantial part of the accompanying destitution and insecurity. The basic elements of the insurance business are incorporated into the programs—that is, payments to the insurance fund are based on one's own wages. Thus each participant in the program has the right to what he receives and feels a sense of ownership in the system.

**PUBLIC ASSISTANCE TO THE NEEDY** Public assistance is carried on jointly by the national and State governments. Its purpose is to provide monthly cash allowances for people sixty-five years of age and older who lack means of support; for blind people who need assistance; for children who have been deprived of parental support; and for the permanently and totally disabled who are at least eighteen years of age and in need. Through this program, several million poor men, women, and children are helped to go on living at home with their own families and among friends.

The national and State governments share in paying for this

assistance and in seeing that the program is properly administered. Following the general pattern set by the national government, each State makes its own program. Since the purpose of public assistance is to provide for people living at home, allowances to which the national government contributes may not be given to persons living in public institutions. Public assistance benefit payments are provided solely on the basis of need. Since there are no specially built-up funds, such as those of the insurance programs, from which to draw, the benefit payments are made from the general funds of the national and State governments.

Public assistance programs protect the independence and dignity of the persons receiving aid—for example, the case history of the beneficiary must be kept confidential. According to the national law, however, the record of the names, addresses, and amounts of assistance given to beneficiaries in each State may be open for public inspection provided the information is not used improperly, such as for political and commercial purposes or in any way that may be detrimental to those receiving aid. A fair hearing is provided in any disputed claim. The assistance is given in the form of money, not groceries, coupons, or favors, thus preserving the right of the beneficiary to make his own choices in the market.

**CHILDREN'S SERVICES** The three maternal and child-welfare programs listed under the heading of children's services are only a part of the total children's program within each State. These three are included in the social security program because their basic purpose is to make it possible for the child's own family to care for him through the years of childhood. The role of the national government in these programs is to strengthen the State programs by giving financial assistance. Because of the differences in wealth among the States, part of the national grants made in these programs need not be matched by the States.

## HEALTH SECURITY

Another social problem that has received considerable public attention is health. In some nations, national health insurance is a part of the social security program. The United States, however, does not have national health insurance or a nation-wide system of tax-supported medical care. Although the standards of medical research and techniques are high and the achievements in the field

of medicine have been great, the application of these achievements to assure the best medical care for the greatest number of people is a matter of disagreement. The fee system makes it difficult for many people to obtain adequate medical care. Several proposals have been suggested to supplement the fee system, of which the two proposals receiving the most attention are voluntary health insurance and compulsory health insurance.

### *Voluntary Health Insurance*

Voluntary health insurance plans have been set up in various ways. Some are indirectly voluntary, such as those in some industries where payroll deductions are used to support the service—for example, the Permanente Foundation of Henry Kaiser's industrial plant. Others—for example, the Group Health Association of Washington, D.C.—are organized as co-operative enterprises supported by assessed fees. Some fraternal organizations and labor unions also have provided health and disability insurance for their members. These funds are built up by voluntary contributions from the members. Health insurance also is offered by privately owned sickness and accident insurance companies. The most widely known of the voluntary health protection groups are nonprofit organizations—for example, the Blue Cross and Blue Shield. Together Blue Cross and Blue Shield services provide fairly complete hospital, surgical, and obstetrical care for the insured person who makes regular premium payments.

To supplement the fee system, the advocates of voluntary health insurance propose extending health benefits to the greatest extent possible through such organizations as those mentioned above. For persons unable to join such groups, the proposal has been made to provide memberships through public and private assistance. Accurate figures of the number of persons possessing some kind of health insurance are unobtainable. Those who support voluntary insurance point to the many millions now included in such programs, and those wishing to establish a compulsory system point to the remaining millions who have no protection.

### *Compulsory Health Insurance*

The proponents of compulsory health insurance wish to establish a national health insurance program based upon employee-employer contributions. For example, under the National Health Insurance and Public Health Act, introduced in Congress in 1949,

all persons would receive services necessary to prevent, diagnose, and cure illness, and specialized treatments would be given when necessary. Those who could not make insurance payments would receive the services offered by the program if their payments were made by a public agency, and national funds would be made available to such agencies. Under this proposed compulsory health insurance, the patient would be free to choose his physician, hospital, dentist, and nurse; and doctors and dentists would be free to reject patients and to refuse to participate in the program. This proposal received widespread attention, but Congress did not enact the bill into law.

## SOCIAL REFORM IN TIME OF WAR AND DEFENSE

In times of emergency, such as war and preparation for defense, the attention of the people of a nation is centered primarily on meeting the needs of the emergency. Consequently, social reform efforts ordinarily are subordinated to other endeavors considered more immediately vital to the nation's welfare. This situation prevailed in the United States during World War II and the defense effort following the war. Nevertheless, the welfare of the common man remained a concern of the nation even during these crucial times. The controls established by the national government and the anxiety over the safeguarding of civil liberties exemplify this concern. Although the national government indicated this concern over public welfare in various ways, we shall consider only the efforts to meet the problems of inflation, of adequate housing, and of safeguarding civil rights as examples of how public welfare remains a goal of public policy even during times of war and defense.

### *Inflation*

The first effort to meet the problems of inflation was made in 1940, before the United States became involved directly in World War II. A Price Stabilization Division was set up within the National Defense Advisory Commission to protect the consumer from extremely high prices. But neither this bureau nor the Office of Price Control and Civilian Supply, created in 1941, could stop the rising cost of living and mounting profiteering. Consequently, in January, 1942, the Price Control Act was passed by Congress, and for the first time in its history, the government acted directly

against inflation. In meeting the problems of inflation, two approaches were available to the government—the amount of civilian goods might be increased, or the amount of money in people's pockets might be decreased. Obviously, the latter method was the logical choice, since the demands of production for defense and war made it impossible to increase consumers' goods.

To carry out this objective, in 1942 the national government put into effect a seven-point program: (1) heavier taxation, (2) an over-all price ceiling on economic goods and on rents in war industry areas, (3) stabilization of wages, (4) stabilization of farm prices, (5) an expanded war-savings program, (6) rationing of essential and scarce commodities, and (7) discouragement of credit buying. Such unprecedented restraints on free enterprise produced a reaction in the economic field known as the "black market"—an exchange of goods outside the normal trade channels to evade price regulation. Neither patriotism nor controls were strong enough to eliminate the forbidden profit-seeking entirely. The government took another step to meet the problems of inflation. This step, subsidization, was used to retain goods in the normal market channels and to increase production in fields where there was little or no profit margin. The civilian in the United States slowly became aware of the fact that he would be required to keep step in a modern war just as rigidly as any army private.

Of these various methods used to retard the inflationary pressures, price control and rationing probably affected each person more directly than the other methods. The strangeness and complexity of price control and rationing regulations caused much resentment, indifference, and evasion during the early part of the war. As the necessity for the controls became more apparent and as they were simplified and made more effective, they became more acceptable. By comparing the rise in the general price index for similar periods during World War I, when no controls were used, and during World War II, when price controls were in effect, the results are evident. From 1917 through 1920, the price index rose 51.7 points; from 1942 through 1946 it rose only 22.8 points, or considerably less than half as much.

At the end of World War II, pressure was brought on the government to end all controls. The opponents of controls argued that the only way to get expanded production to fill the vast need for consumer goods was to drop all regulation. The Honorable Reid F. Murray, Representative from Wisconsin, said in the House: "If the

government had cut away all regulations and controls at the end of the war [September, 1945] there would have been some confusion, but by now [May, 1946] things would be pretty well straightened out."

Much of the effectiveness of price controls was lost after June, 1946, when the Price Control Act of 1942 expired. Although another law was enacted to take its place, the authority given to the President was so weak that effective controls were impossible, and by the end of the year controls were removed, except on rent. As a result, the consumers' price index computed by the Department of Labor climbed from 139 in 1946 to 171 in 1948. For 1949, the index was approximately 169. Such an inflationary trend soon absorbed the savings of many low-income families. Early in 1949, the President's proposal of heavier taxation to check inflation was sidetracked by a temporary leveling-off in prices. Yet by mid-November the *Wall Street Journal* concluded that "the nation is ready to be led without hindrance further along the perilous road of uninterrupted inflation."

For several years after the end of the war, the reapplication of price controls was proposed by some opponents of inflation. Others looked upon such a step as contradictory to the principles of free enterprise as practiced by a peacetime nation. The anti-inflation advocates insisted that the nation had not really been at peace since the war, that the demands of a recovering Europe, the Cold War with Russia, and actual war in Korea produced conditions similar to those of the former period of control. Government stockpiling of such critical materials as tin and manganese caused shortages in the open market and resultant high prices. In addition, aid and arms for Europe removed goods from the national markets, causing increased bidding for the remaining goods. The largest peacetime military establishment in history removed both men and materials from the production of consumer goods, resulting in fewer goods and higher prices. To summarize this argument, the anti-inflationists quoted the Economic Report of the President for 1949: "Price and rationing controls were removed before goods and services became available to meet pent-up demand, and prices soared."

Those persons who were opposed to controls argued that most of the shortages resulting from World War II had been met. They contended that the United States was one of the few countries after the war which had expanded production sufficiently to meet



the demand for civilian goods and that removal of controls enabled the economy to make the rapid adjustment from war production to peacetime production. Another argument used by the opponents of price control was that higher productivity causes prices to level off and that the nation could meet international political and military obligations without controls.

Apparently most of the people of the United States supported the opponents of restoration of price controls, since Congress did not enact further legislation on the matter. The nation accepted high price levels, and the chief concern since has been to prevent a recession in prices, which is considered to be detrimental to the national economy.

### *Housing*

The problem of adequate housing for the people of the United States was not caused by war and defense conditions but has existed for many years. For example, in 1937 a Senate committee reported that even before the depression of the early 1930's more than ten million families were living under housing conditions that did not protect their health and safety. The housing problem has two aspects—a shortage of housing facilities, and the large number of inadequate and substandard houses occupied by low-income families. A depression, a war, and a recently aroused social consciousness were required to bring the housing problem into public awareness.

During World War II, the demand for housing, particularly in defense areas, caused rents to increase sharply. In 1941, the Office of Price Administration encouraged the formation of local Fair Rent Committees to keep rents down by informal pressures. The effort was not very successful, and by March, 1942, ceilings were placed on rents in certain "defense-rental areas." Six months later the entire United States was divided into such areas. When other controls were dropped at the end of the war, rent control was maintained. In 1949, Congress extended the controls for twelve months but allowed their removal upon the option of local governing units. More than two million houses and apartments had rent ceilings removed, and in nearly all areas where such a step was taken, rents increased sharply, in some cases by as much as 400 per cent.

The housing problem became acute following World War II. Private construction and repair had been suspended during the war period, and a backlog of inadequate living quarters was made more

serious by the larger number of families. Construction of new houses expanded considerably after the war, but most of these homes were built by high-income families or by those with moderate incomes backed by private investors, who received governmental guarantees of the loans through the Federal Housing Administration. The problem of adequate housing for low-income families and of substandard dwellings, of course, was not met by the construction of these types of dwellings.

The first effective effort of the national government in the housing reform movement—that is, in slum-clearance and house construction to take care of low-income families—began in 1937, with the passage of the Wagner-Steagall Act. This Act established the United States Housing Authority (changed in 1947 to the Public Housing Authority) to make loans, grants, and subsidies to local governmental authorities for clearing slum areas and providing houses for low-income families who otherwise would be forced to live in substandard homes. The national government granted subsidies to the local authorities after the construction was completed in order to keep the rental low.

Building costs after the war rose above the ceilings permitted for public construction and hampered the program. Accordingly, Congress considered the problem again, and in 1949 the principle of public housing was debated at some length. The real estate lobby opposed the principle as interference with private enterprise and as “socialized housing.” The Housing Act of 1949, however, was passed, revising and expanding the program started in 1937. Under this Act, enlarged grants and loans were made available to local housing authorities for slum clearance and acquisition of land and its preparation for low-rental construction. This part of the program called for the national government to pay one-third of the costs by direct grants and to loan the money to local authorities for financing the other two-thirds of the cost. The actual construction and redevelopment were to be accomplished chiefly through private financing. Funds were provided also for rural housing to parallel urban development. Under the enlarged program, the aim was to have 810,000 units for low-income families constructed between 1949 and 1955. The Act provided that the national government contribute \$308 million annually for forty years as a subsidy to low rental of the units. In other words, the Public Housing Authority would make up the difference between what the projects cost and what the renters could pay.

Several difficulties were encountered in carrying out both the 1937 and 1949 public housing programs. In some cities, the new housing units were built on the same site as the old units. The tenants of the old units had to be rehoused during construction and often had no place to go. Many of the former tenants could not qualify for the new units because their incomes exceeded the limits set by law. Many of the slum sites were on land with sales value out of proportion to its residential-use value. Thus the projects were not financially attractive to private investors. The placing of these housing units in outlying areas of the city has been proposed as one means of offsetting this difficulty. The increased investment guarantees of the law of 1949, which in effect amount to an unconditional governmental guarantee of the mortgages, have lessened the difficulties of financing the housing projects.

The amount of construction under the Housing Act of 1949 fell far short of the goal. The aim of building 810,000 new units during a six-year period called for an average annual construction of 135,000 units. By April 30, 1954, only 146,000 units had been built, and 59,000 were contracted for or under construction. That is, only about one-fourth of the program had been completed when the six-year period was about over.<sup>2</sup>

When Congress considered an extension of the public housing program beyond the period provided in the Act of 1949, considerable opposition developed in the House of Representatives. But in July, 1954, Congress extended the program for an additional year and appropriated funds to construct 35,000 public housing units, which could be occupied only by those people who had been displaced by slum clearance projects.

### *Civil Rights*

Within the United States, the issue of civil rights became sharply drawn during World War II. Members of nonwhite races were contributing to the war effort by working in industry and by serving in the armed forces. Needed and required to work for democracy, these persons sometimes were denied the rights and privileges of democracy. This obvious discrepancy was the cause of increasing pressure to secure the civil rights of all persons. Consequently, both major political parties favored extensive legislation for civil rights in their campaign platforms in 1948, the first presidential campaign

<sup>2</sup> *Congressional Quarterly News Service*, XII (June 18, 1954), p. 765.

after the end of the war. The platforms included the following proposals:

- (1) The right of full and equal political participation, to be achieved by abolition of the poll tax and by legislation forbidding interference with the right of qualified citizens to vote in any national election.
- (2) The right to equal opportunity of employment by passage of a law providing a national Fair Employment Practices Commission with authority to prevent discrimination by employers, labor unions, trade and professional groups, employment bureaus, and governmental agencies.
- (3) The right of security of persons, to be attained by an anti-lynching bill and by strengthening the statutes of the Criminal Code.
- (4) The equal treatment of those in the service and defense of the United States by abolition of all discrimination in the armed forces.

The 1948 civil-rights program caused a distinct split in the Democratic Party. A group of delegates from the Southern States refused to accept the program as a plank in the Democratic platform. This group, which became labeled "the Dixiecrats," claimed that the civil-rights proposals violated the Ninth and Tenth Amendments to the Constitution.

Although the Democratic Party was returned to power, opposition in Congress prevented legislation from being passed to carry out the 1948 party pledges. By executive orders of the President, the discrimination in the armed forces was partially eliminated.

In their 1952 party platforms, neither of the major parties went as far in advocating civil rights as it had in 1948. The conservative element in each party was successful in modifying the proposals of the liberal wing. The Democratic Party pledged itself to:

- (1) continue to support national legislation to eradicate discrimination based upon race, religion, or national origin;
- (2) favor national legislation to secure the right to equal opportunity for employment, the right to security of person, and the right to full and equal participation in the nation's political life, free from arbitrary restraints;
- (3) strengthen the existing civil-rights laws and the administrative machinery for the protection of civil rights.

In their 1952 platform, the Republicans stated that they believed each State had the primary responsibility to control its own domestic institutions but that the national government should take supple-

mental action to oppose discrimination because of race, religion, or national origin. The following pledges were made by the Republican Party:

- (1) Appointment of qualified persons to governmental positions without discrimination as to race, religion, or national origin.
- (2) Action by the national government toward the elimination of lynching, of poll taxes as a prerequisite of voting, and of segregation in the District of Columbia.
- (3) Enactment of legislation to bring about just and equitable treatment in employment practices, such action not to duplicate State action or set up a national government bureaucracy.

During the first session of Congress in President Dwight Eisenhower's administration, no legislation was enacted to put the campaign pledges into effect. Several members of Congress, however, indicated interest in redeeming the civil-rights pledges. President Eisenhower by executive order directed that discrimination on account of race, creed, or national origin be eliminated in the armed forces. This order pertains not only to the military forces of the army, navy, and air force but also to all aspects of military service, such as hospitals, schools for children of military personnel, and mess halls on military posts and bases. The President also ordered elimination of discrimination in appointments to positions in the executive department of the national government and appointed a committee to enforce fair employment practices by the businessmen who enter into contracts with the government for such work as construction of buildings, manufacture of airplanes, and production of munitions.

## THE REFORM MOVEMENT AND FREEDOM AND SECURITY

The social reform programs and proposals during and since World War II indicate a trend to extend the reforms of previous periods of time, particularly the general program of the New Deal. Both major political parties support some of the aspects of this trend. Their support indicates that society in general is not averse to the continuance of the central theme of reform—that is, promoting the welfare of the common man. In the promotion of general welfare, the government has extended its activities into areas that formerly were reserved for private activity. The positive state, therefore, has accepted the responsibility for providing economic and social se-

curity to the degree that the people determine through established political processes.

As governmental activity has expanded into areas formerly reserved for free enterprise and private control, the question arises in the minds of many persons as to the extent to which freedom must be sacrificed for security. The requirements of essential economic and social programs must be met. National defense, international commitments for reconstruction and rehabilitation, and social security programs are not likely to be sacrificed because of narrow concepts regarding acceptable limits of governmental action. The term *welfare state* has been used to designate the expansion of governmental activity into economic and social relationships. Persons who support the concept of the welfare state are convinced that intervention by government in economic and social affairs is not only compatible with democracy but also is an indispensable condition of democracy.

Although the serious and complicated nature of the issues facing this nation today seems to make clear the need for group action, some persons fear that the free-enterprise system will be destroyed. They believe that increasing governmental intervention in economic and social matters will mean the loss of freedom and liberty. They think that governmental management of business would be far less efficient than private management. Many persons also feel that government is managed by untrained officials and political machines, and would be wasteful and inefficient at whatever task it undertakes. In addition, the claim is made that too great provision for security will sap the initiative of the individual and that individual enterprise will be lost in a nation where wants are not allowed to reach extremes. Free enterprise certainly has been a factor in shaping the productive economy of the United States. The chance for broad participation in production and control has been consistent with democratic principles. And the world-wide economic importance of the United States is unprecedented.

The critics of extension of governmental intervention in economic and social affairs are able to support their case with considerable evidence. Certainly many individuals can manage their own affairs as efficiently as could the government. Since every person differs from every other in abilities, needs, and desires, the desirability of allowing individuals as much freedom as possible is sound.

The proponents of governmental intervention contend, on the other hand, that the conduct of individuals may be selfish and

seriously harmful to the welfare of society. If such is the case, they maintain, it is necessary for individuals to be placed under some form of group control. Moreover, the proponents argue, the complexity of present-day economic and social problems makes some form of group action and control necessary. The fundamental question is how far governmental intervention may go without destroying the basic elements of free enterprise and personal freedom.

In facing this problem of the need for group action in dealing with economic and social problems and the desire to preserve as much individual freedom as possible, democratic leaders in many countries of the world have searched for a middle road along which their nations might travel. In some nations, democracy and freedom have been surrendered, and economic and social affairs have been managed almost entirely through governmental action. Germany and Italy, in the 1930's, and present-day Russia and Spain are among the nations that have chosen this way of totalitarianism. These nations have been successful in eliminating some of their social and economic problems, but the price paid has been the loss of individual freedom. Citizens in those nations have been controlled in their every action by the government. Even though authoritarianism in those countries apparently has eliminated some evils, people who believe in democracy feel that the price for such a solution of social problems is too high.

The democratic nations of the world, therefore, have tried to preserve individual freedom by combining with it a certain degree of governmental regulation and control. For example, in the United States various economic groups are encouraged to carry on activities in such a manner that they, by co-operation, may manage their own affairs without the need of governmental intervention—labor unions have been encouraged as a means of improving the position of the worker, and co-operative enterprises have been encouraged as a means of aiding and protecting the consumer. At the same time, regulation of railway and utility rates is generally accepted, and probably no citizen of this country would advocate a completely free reign in the field of atomic energy. The social security program, in attempting to meet some of the serious social problems of a highly industrialized society, has received increasing popular support. Thus a middle-road policy has been followed, one attempting to use the best features of both free enterprise and group control.

Apparently many people in the United States do not agree with the assumption that the granting of additional powers to govern-

ment inevitably leads to the disappearance of individual freedom. Social and economic developments, such as radio and television, demonstrate that government regulation may be increasingly required. That is, growing social complexity usually involves an increasing amount of such regulation. The belief of the people of the United States in democratic processes allows the government to follow the middle road between no governmental control and authoritarian control. This belief accounts in large part for the continuing interest of the American people in social reform movements.

## SUMMARY

The impulse for social reform among the American people has been strong in recent years. One of the outstanding reforms is the social security program. Although the United States lagged behind most of the other industrial nations in establishing social security, the program established since 1935 is a comprehensive one. Throughout history, the problem of security has faced the people of all areas of the world. Early efforts to provide security were ineffective, and the recipients of public aid were compelled to surrender their personal freedoms. As a result of the spread of industrialism, there developed changes in the attitude of society toward meeting the problems of human need and security. These changes were (1) the recognition that insecurity is in large part social in origin and that society has a responsibility in caring for the unfortunate, (2) the growing concern of society for increasing numbers of old people who were in need, and (3) the application of the principles of insurance to provide security, which resulted in the recognition that opportunity is a greater incentive to work than the harsh measures of the early assistance programs.



Several conditions led eventually to the provisions for a nationwide social security program. First, production was sufficient to provide everyone with the necessities of life. Second, life was becoming safer and people were living longer. Third, earning a living was becoming less secure, a condition which was experienced by a large number of people during the depression of the early 1930's. The Social Security Act was passed in 1935, and it has been amended a few times since then. Actually, nine separate programs are included in the over-all social security program. Two of these nine are insurance programs—unemployment insurance and old-age and survivors' insurance. Four of the programs provide public assistance for the needy and unfortunate, and three make provision for services to needy children and mothers. Only one of the programs—old-age and survivors' insurance—is operated by the national government. The other programs are conducted by the States, with the national government co-operating and contributing funds.

Another social problem that has received considerable attention is health security. The cost of medical care under the fee system has deprived a large number of people of adequate medical attention. Two proposals have been advanced as means of supplementing the fee system. One is voluntary health insurance, a plan used widely in various forms. Many low-income families, however, cannot take advantage of this type of health security. Another proposal is a compulsory health insurance plan established and operated under governmental supervision. Although such a plan has been proposed in Congress, it has not been enacted into law.

The national effort of the United States was directed toward winning a military victory during World War II, but the promotion of public welfare continued to receive considerable attention. The government's efforts toward meeting the problem of inflation consisted, among other things, of controlling prices and rationing goods in the interest of the consumer. During the war and the defense effort following the war, the problem of inadequate housing was met by rent controls and by financial aid in constructing new dwelling units and elimination of substandard housing. For the first time, the national government engaged in a comprehensive public housing program. Another social problem that received attention during the war and defense periods was the protection of civil rights. Efforts have been made to provide equality in employment opportunities and social status by reducing discrimination because of race, creed, and national origin.

A problem in the extension of governmental authority in the promotion of public welfare is the question of sacrificing freedom for security. In some countries, governmental controls have gone to the extreme of a totalitarian system of planning and control. In the United States, a middle ground between totalitarian and no governmental control has been sought by recognizing the need of governmental regulation in many areas of social relationships. The American people apparently believe that by the use of democratic processes, such regulation will advance the public welfare and that the basic elements of free enterprise and personal freedom thus will be preserved.

## QUESTIONS

1. To gain freedom from want, what sacrifices were made by persons receiving aid under the early Poor Laws?
2. What fundamental changes have occurred in the attitudes of society toward meeting human needs?
3. What conditions in the United States caused this country to lag behind other nations in establishing social security programs?
4. What is the principal reason for the relative insecurity in making a living?
5. Before a national social security program was established in the United States, what steps were taken by the States to meet the problems of social security?
6. What is the basic difference between the Social Insurance section and the Public Assistance section of the Social Security Act?
7. What is the difference between voluntary health insurance and compulsory health insurance?
8. What were the purposes and effects of the rationing program during World War II?
9. Why has the government engaged in a public housing program?
10. On what points were the major political parties agreed in the civil-rights planks of their platforms in the campaigns of 1948 and 1952? What progress has been made toward fulfilling these civil-rights pledges?

## DISCUSSION

1. Upon what developments can modern man base his hope for a future free from economic insecurity?
2. What evidence is there that we can expect public assistance under the Social Security Act to increase or decrease in scope?

3. Which is the better program for the United States health needs—voluntary health insurance or compulsory health insurance? List reasons for your answer.
4. Why are some socioeconomic groups influenced by inflation more than others?
5. Did the maintenance of effective rent control for a longer time than all other controls unfairly affect the landlords? If so, how?
6. Explain the differences in degree of governmental intervention during war and peace. Why is it impossible to draw a clear line, even in peacetime, beyond which government must not go?

## TERMS

**Health insurance:** A method by which costs for medical care are pre-paid through a system of premiums; it operates on the assumption that not all the persons in the program will need care at the same time.

**Price index:** A statistical measure of commodity prices from which the purchasing power of money may be estimated. For example, if the year 1939 is used as a base year, the price level of that year is designated as 100. Assuming the price level were to rise 70 per cent by 1949, the price index for 1949 would be 170. In other words, the purchasing power of money would have declined 70 per cent during the 10-year period.

**Socialized medicine:** A system of medicine in which all aspects are financed and operated by the state.

**Stockpiling:** The accumulation of certain strategic materials to insure continuous production during a crisis.

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Health and recreation are essential not only in developing personalities but also in promoting the welfare of society. Health and recreational programs meet personal needs which, if unprovided for, often develop into maladjustments that may create social problems.

In the United States, the movement to develop more adequate health and recreational facilities is among the significant developments of comparatively recent times. The positive contributions of health and recreational programs both to the individual and to the community now are more widely recognized and accepted than ever before. In the present chapter, we shall discuss the place of health and recreation in the life of the individual and in society, the movements to improve health and to provide recreational opportunities, and some of the recent developments in these areas.

## HEALTH

In the twentieth century, progress in the area of health has affected virtually every person in the United States. This progress has been brought about by advances in medical science and by the recognition of the importance of good health and the willingness of the people to use medical facilities. Today, health is considered not only an absence of disease but also a positive state of physical, mental, and emotional well-being. A person who lacks such well-being is neither happy nor efficient, and the well-being of society depends upon the well-being of its members. The social recognition of the significance of health is expressed by legislation for improved housing, workmen's compensation laws, scientific studies of occupational diseases, physical examinations for workers, installation of sanitary conveniences and of safety devices in industrial plants, development of medical inspection and programs of health and

safety education in schools, and medical and social research into the causes of ill health.

### *Health and Economic Loss*

The economic cost of disease and poor health cannot be determined completely, since adequate data on all of its aspects are difficult to obtain. Nor can certain of the losses entailed be translated into monetary terms. Among the economic losses that can be measured are loss of earning power through the inability of a person to work, cost of medical care and treatment, and loss from preventable deaths. A cost more difficult to determine is the inefficiency of those persons who continue to work even though they are in ill health. Although the exact amount involved in the cost of poor health is impossible to determine, it is large, amounting to billions of dollars yearly.

### *Health and School Progress*

The importance of health is widely acknowledged in educational circles; research has indicated that physical and mental well-being is essential to educational progress. Educators have found that many pupils have been unable to maintain the standards of work required because of physical defects of various kinds—defective sight and hearing, diseased tonsils and adenoids, decayed and abscessed teeth, and nutritional deficiencies. All of these handicaps are prevalent among school children. Absences from school because of illness is another hindrance to the educational progress of pupils. Figures from 1940 to 1945 show that the number of days of absence during a school year on account of illness averaged 8.49 per 100 children.

As school authorities have recognized the importance of health in the educative process, positive programs for the betterment of health have been inaugurated in the schools. Some schools have employed nurses and doctors, and a few have psychiatrists on their staffs. School medical and dental clinics have been established. School health programs sometimes provide to some extent for corrective treatments and for inoculations and vaccinations. School hot lunch facilities have helped to correct health deficiencies in pupils.

proportion of persons of different ages varies over the years, and death rates are greater among babies and older persons than among young adults and the middle aged. For some purposes, therefore, allowances are made for differences in age to make more accurate comparisons. Such rates are called age-adjusted death rates.

For the entire population of the United States, the crude death rate has definitely declined in the twentieth century. The rate has dropped from 17.2 per 1000 population in 1900 to 14.7 in 1910, to 13 in 1920, to 11.3 in 1930, to 10.7 in 1940, and to 9.6 in 1950.<sup>2</sup> When the figures are adjusted to take into consideration the increasing proportion of aged persons in the population, the adjusted death rate indicates a decline from 17.8 per 1000 population in 1900 to 8.4 in 1950. During the 50-year period, the reduction in the crude rate was 44 per cent and in the adjusted rate, 53 per cent.<sup>3</sup>

The gain in life expectancy also has been remarkable during the twentieth century. In 1900, a baby had an average life expectancy of forty-nine years; in 1945, of sixty-five years; and in 1950, of seventy years. A further indication of increased longevity is the larger percentage of persons now surviving to certain ages. For example, mortality data for 1900 indicate that only 68 per cent of the persons born alive survived to the age of twenty years, as compared with 94 per cent in 1950. Comparisons of a like nature for survival to forty years of age are 56 per cent in 1900 and 89 per cent in 1950; for survival to sixty years, 37 per cent in 1900 and 69 per cent in 1950.<sup>4</sup>

**DECLINE IN INFANT MORTALITY** During the twentieth century, the rate of infant mortality (death of children under one year of age from all causes) has declined greatly. Annual infant mortality rates on a nation-wide basis are available only since 1915, when the United States Bureau of the Census established the birth-registration area for the collection of such data. The data available indicate a steady downward trend: the infant mortality rate declined from 99.9 deaths per 1000 live births in 1915 to 38.1 in 1945 and to 29.2 in 1950. This reduction is regarded as one of the most significant health achievements in modern times. Among the factors contributing to the reduction are health practices that have aided in reducing mortality from infectious diseases—pasteurization of milk, protec-

<sup>2</sup> National Office of Vital Statistics, *Vital Statistics—Special Reports, National Summaries*, XXXVII (May 22, 1953), p. 167.

<sup>3</sup> *Ibid.*, pp. 168-169.

<sup>4</sup> Computed from National Office of Vital Statistics, *Abridged Life Tables, United States, 1950*, XXXVII (November 18, 1953), pp. 340-341.

tion of water supplies, immunization, and the use of the recently developed chemical and biological drugs. Other factors are improved and more widespread prenatal, obstetrical, and infant care; better economic conditions; and the acceptance by more of the population of improved practices in nutrition.

Despite the great progress that has been made, there remain problems in this area of health. In the first place, the death rate among infants less than one day old remains high. Actually, the day of birth is the most hazardous day of life. Many of these deaths could be avoided by further improvements in prenatal and obstetrical care. In the second place, there are marked differences between health provisions in the various geographical areas of the United States. Data indicate that babies have the best chance of living if born in cities, largely because of the hospital facilities available and the organized activities for improvement of infant and child health. This is true even though the health provisions of the Social Security Act of 1935 have stimulated and improved organized health activities in the rural and small-town areas. The range of the infant mortality rates among the States is another indication of the geographical differences. As compared with the national average of 29.2 deaths per 1000 live births in 1950, fifteen States, mainly in the Midwest and West, had rates under 26 deaths, and nine States, mainly in the South and Southwest, had rates of more than 36 deaths.<sup>5</sup>

**REDUCTION IN MATERNAL MORTALITY** Before 1934, the maternal mortality rate was more than six deaths per thousand live births and had changed only slightly for more than a decade. Since that time, rapid progress has been made in reducing the rate, and by the mid-twentieth century there was less than one maternal death per thousand live births. This remarkable progress in a comparatively short time has been stimulated by studies made by both medical scientists and public health leaders to determine the causes of such deaths. More hospital deliveries, better obstetrical techniques, and the use of sulfa drugs and penicillin also have contributed to the reduction in maternal mortality.

**CONTROL OF CERTAIN DISEASES** Epidemics of cholera, yellow fever, and typhus occurred in the United States in the eighteenth and

<sup>5</sup> Computed from National Office of Vital Statistics, *Infant Mortality Statistics, United States, 1950*, XXXVII (February 9, 1951), pp. 450-457.



nineteenth centuries. For example, in 1853, 8,000 people in New Orleans died from yellow fever, and in an epidemic of 1849, more than 5,000 died in New York City from cholera. As late as 1893, 200 deaths from typhus occurred in New York City. These diseases now have been practically eliminated in the United States. This health improvement has been accomplished by protective measures after a determination of the causes of the diseases and the ways in which they were spread.

Another remarkable accomplishment has been the control of typhoid fever. The death rate from this disease declined from 31.3 per 100,000 persons in 1900 to less than 0.1 per 100,000 persons in 1950. Decrease in the number of cases of this disease by protection of water and milk supplies, installation of sewage disposal systems, use of antityphoid vaccine, and control of typhoid carriers (individuals who continue to carry and spread germs after recovery) has been largely responsible for the decreased death rate. Improved medical care of those who have contracted the disease is also an important factor.

Smallpox is another disease that has been almost eliminated in the United States. Since 1944, only a few hundred cases have been recorded each year. Yet there is a danger, in that many persons in all areas of the United States have not been vaccinated against the disease or have allowed their immunity to lapse. The exact number of persons unvaccinated is not known, but public health authorities have estimated that it runs into the millions. Because of this situation, if smallpox were to break out in many areas of the nation, serious epidemics could occur.

The reduction in the diphtheria death rate also has been outstanding. At the beginning of the twentieth century, this rate was 40.3 per 100,000 in the death-registration area, which at that time did not include the entire United States. The rate had fallen to 1.1 per 100,000 in the entire nation by 1940. Since that time, the rate has been kept near that low point, and in 1950 it was 0.3 per 100,000 population. This reduction has been accomplished by the administration of diphtheria antitoxin, discovered in 1890, to persons who have the disease or who have been exposed to it; by immunization, which gives protection to individuals in advance of the disease; and by use of the Schick test, developed in 1913, to indicate whether or not a person is susceptible to diphtheria. In recent years, most of the diphtheria cases and deaths reported have occurred among persons who have not been immunized.

Progress in the control of tuberculosis has been steady since the beginning of the twentieth century. The 1950 death rate from tuberculosis, 23.3 per 100,000, is about one-fifth of that for 1900, and since 1920 it has decreased an average of 4 per cent each year. The decrease is owing largely to more knowledge of how the disease is spread and to improved economic conditions, particularly in the crowded industrial areas. The widespread use of the X ray for early diagnosis and improved technical knowledge in treatment also have been helpful. Although great progress has been made, tuberculosis is still a serious threat, especially to persons from fifteen to thirty-five years of age.

The control of other infectious or communicable diseases has been brought about principally by increased knowledge of contagion and infection. This knowledge has led governments to require quarantines and vaccination and inoculation. Other regulations, such as sanitation codes, zoning laws, and building codes, have aided in safeguarding health. The enactment and enforcement of such measures have met with considerable opposition. Even with the present widespread acceptance of these governmental regulations, some people regard them as trespassing on individual rights. The principle that a person's health is a concern not only to himself but also to society, however, has been established by both medical science and social science.

### *Selected Health Problems*

Although significant progress has been made in improving the health of the people and in reducing death rates, serious health problems remain. One of the ways in which many undesirable health conditions can be remedied is educating the people about disease. Agencies engaged in promoting health education have made considerable progress in enlightening the people about the causes of disease and about their responsibilities in prevention of disease. Schools and colleges have contributed by teaching hygiene, child care, nutrition, and first aid. Other agencies making contributions in health education are the American Red Cross, the National Tuberculosis Foundation, the American Heart Association, the American Cancer Society, the United States Public Health Service, and the public health departments of the States.

Not all of the prevailing health problems within the United States can be discussed here. We have selected for discussion some of the leading ones to illustrate the present situation in the area of health.

Today, degenerative diseases (those commonly found in middle and later life), such as heart diseases, cancer, cerebral hemorrhage, pneumonia, and influenza are the leading causes of death.

**HEART DISEASES** Although important scientific advances have been made in the treatment of diseases of the heart, at present these diseases are the major cause of death in the United States: in 1950, the death rate from heart diseases was 354.4 per 100,000 population. Medical schools, privately endowed institutions, and government-sponsored agencies have combined efforts in scientific research and in educational campaigns to try to improve this situation.

**CANCER** Cancer control is one of the foremost health problems of the nation; by some health authorities it is considered *the* foremost. Cancer is second to heart disease in causing deaths in the United States. In 1950, the rate of deaths from cancer was 139.6 per 100,000 population. Most deaths from cancer occur in the middle and older-age group, although people of all ages, even babies and young children, may have cancer. One of the major activities of cancer-control groups has been to educate the people about the early symptoms of the disease and to stress the importance of periodic medical examinations if there are any indications of cancer. Studies have shown that early treatment of cancer can cure or check the disease and that much can be accomplished in cancer control with the knowledge now available. Extensive research in cancer control is carried on continuously by both individuals and scientific organizations.

**POLIOMYELITIS** Another problem of medical science and public health authorities is poliomyelitis, or infantile paralysis. The number of cases of this disease in the 1949 epidemic was greater than in previous epidemic years. Enormous sums of money have been contributed to conduct research for combating the disease and to give care to those who have contracted it. Considerable advances have been made in treatment of cases, in correcting the aftereffects of the disease, and in developing protection from the disease. The National Foundation for Infantile Paralysis was founded in 1938 by Franklin D. Roosevelt to "lead, direct, and unify the fight" against poliomyelitis. The work of the Foundation consists of search for a vaccine against the disease and for ways of correcting aftereffects.

The Foundation promoted the gamma globulin tests in the early 1950's. Gamma globulin, the fraction of the blood that contains most of the antibodies formed to combat disease, provides temporary immunity from infantile paralysis, and the tests indicated that the paralytic effects of the disease are less severe if the patient has had injections of gamma globulin. Some health authorities consider the use of gamma globulin impractical, since the source is human blood and therefore the supply is necessarily limited.

### DEATH RATES FOR THE TEN MOST IMPORTANT CAUSES OF DEATH, 1953

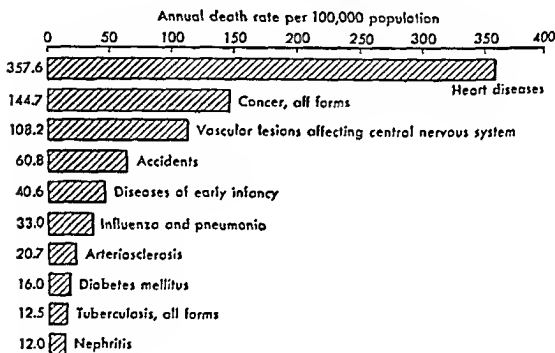


Figure 11. (Source. National Office of Vital Statistics)

In 1954, the Foundation, in co-operation with local health authorities, conducted vaccination tests with the antipolio vaccine developed by Dr. Jonas E. Salk, of the University of Pittsburgh. The Salk vaccine is made of killed, or inactivated, virus, which, though powerful enough to build up antibodies against infantile paralysis, will not itself cause infection. Preliminary tests on a limited number of children indicated that the Salk vaccine immunizes the body against the three types of virus which cause infantile paralysis and that it provides immunity for a lifetime, with an occasional booster shot. But the effectiveness of the vaccine was not completely deter-

mined until the results of the widespread tests conducted in 1954 were analyzed. These results proved the conclusions of the preliminary tests, and during 1955 there was a nation-wide program of inoculation of the children of the nation. An emergency epidemic aid program also is sponsored by the Foundation. All infantile paralysis patients who cannot afford complete medical care may obtain aid from the Foundation.

**INJURIES FROM ACCIDENTS** The reduction of accidents that result in temporary and permanent injury is another problem in the area of health. Most accidents are caused by the speed mania and carelessness of drivers on the highways and streets, by carelessness of persons in the home and in public places, and by the lack of proper safety devices on dangerous machines. In the last few years, industrial accidents have declined as workmen's compensation laws have encouraged employers to provide better safety devices. Safety measures have also reduced the number of railroad accidents. Safety campaigns have had some success in reducing the accident menace, except for automobile accidents, and even more can be accomplished by continued stress on the responsibility of the people in reducing accidents.

**OCCUPATIONAL AND OTHER DISEASES** In addition to industrial accidents, the machine age has been responsible for occupational diseases—that is, diseases resulting from conditions characteristic of certain types of work. There are many forms of occupational diseases—the general undermining of the health of miners and office workers as a result of lack of sufficient fresh air and sunshine, lead poisoning contracted by painters, and tuberculosis contracted by stone cutters from stone dust, to name only a few.

The fatigue and monotony associated with many industrial and office jobs have serious effects upon both mental and physical health. Increased attention has been given to both industrial fatigue and occupational diseases. Fatigue is one of the important causes of industrial accidents, and many industrial concerns have established rest periods and recreational facilities in an effort to correct this situation. Many industrial enterprises have also provided medical facilities for their employees.

In addition to the health efforts discussed above, medical scientists and public authorities are co-operating in an effort to lessen other health hazards, some of the most prevalent of which are die-

tary deficiencies, mental hygiene, venereal diseases, defects of vision and hearing, and tooth decay.

### *The Public Health Movement*

As people became convinced of the need for co-operation in preserving health, laws were passed and public health agencies created by the national, State, and local governments. In the early years of the nineteenth century, laws provided for the regulation of sanitary conditions and water supply and for smallpox vaccination for children. The American Public Health Association, founded in 1872, began to promote research and to disseminate information about public health problems. Since that time, and especially in the twentieth century, government has assumed increased responsibility for the promotion of health measures. Doctors, nurses, dentists, and pharmacists must be licensed by governmental agencies after passing examinations provided by these agencies. Other laws regulate working conditions in industries where the employees are subject to unusual hazards—requiring, for example, proper ventilation in mines to remove dangerous gases, safety devices for dangerous machines in factories, and safety devices on railroad trains and tracks and on other transportation facilities. Many States require that factories meet standards in lighting and ventilation. The public health movement also has sponsored such projects as sanitary water supply and sewage disposal, quarantine regulations, and pure food and drug laws.

The United States Public Health Service is the agency of the national government specifically charged with the protection and improvement of public health. It is concerned chiefly with health education and the prevention of disease. Laboratories are maintained by the Service to carry on research relating to the causes, diagnosis, treatment, control, and prevention of physical and mental diseases. In addition, financial assistance is given to universities, private laboratories, and other public and private agencies to carry on research in the area of health. The Service also co-operates with State and local public health departments in activities to safeguard environmental sanitation. These activities include work on such health problems as sanitation in swimming pools, sewage disposal, housing sanitation, control and inspection of milk and food supplies in restaurants, and control of pollution of interstate waters. Another function of the Service is the protection of the United States from

the introduction of disease from other countries, a danger which today's speedy transportation has made very real. Maritime quarantine and inspection of passengers and crews of vessels and airplanes arriving from foreign ports are measures taken by the Service to lessen this danger.

All States now have established public health departments, which carry on various activities, including aid to local health departments, programs to prevent and control diseases, supervision of water supplies and sanitation methods, maintenance of health-service laboratories, and promotion of health education. Most of the detailed work of public health administration is carried on by county and city health departments. The work of these departments varies from community to community but includes supervision of sanitary and quarantine laws and food and drug inspection, provision of clinics for free treatment of disease and of visiting nurses, and promotion of educational campaigns against disease. One of the most pressing needs of health departments today is trained personnel. By 1950, ten colleges had been accredited by the American Public Health Association to train public health workers. Because of small enrollments, however, the shortage of workers probably will continue for some time.

## RECREATION

Recreation has been recognized as an important aspect of society since ancient times. Several theories of its origin have been advanced by recreational leaders. One of the most widely accepted theories is that recreation developed as a result of the need for the relaxation which comes from substituting one type of activity for another. Almost without exception, people assume duties, bear cares and burdens, make decisions, and carry out responsibilities, all of which cause physical and mental strains and tensions. Such tensions may result also from inactivity or from doing routine or monotonous tasks. The human organism is affected by these tensions of daily living; and body, mind, and nerves need to be relaxed if they are to function normally. Rest, sleep, food, and daily association with others are important in relieving strains and tensions, of course, but they are not always enough. One of the most effective sources of relaxation and renewed energy is change, especially if the change is one from usual and compulsory activity to unusual and free activity engaged in for its own sake. Recreational activities give

people opportunities for change and provide a means by which the strains and tensions of daily living can be relieved.

### *Importance of Recreation*

Recreation has both individual and social aspects. The two are closely related; in general, what affects the individual affects society. Contented, healthy, and well-adjusted members of society are indispensable to the welfare of the social order. Recreation has a social character, since much of it is carried on through companionship or in company with other people. Reassurance and rehabilitation of self comes from the companionship possible in recreational activities. Many types of recreational activity call for the "give and take" of life in social relationships and thus contribute to making the members of society less self-centered and better able to live in harmony. Recreation also contributes to personal happiness, a fundamental and worthy objective for every person. Without recreation, life would be incomplete and drab. The happiness and satisfaction that come from recreation are not only experiences of the time but also often live on in the memory.

Recreation is used by social institutions to promote their objectives and programs. The family and the community long have used recreation to promote solidarity. Conflicts and prejudices in families and communities often have been replaced with sympathy and understanding as a result of recreational activity among their members. In modern times, recreation also has been used advantageously to promote industrial progress, to prevent political upheavals, and to produce conformity to particular ideologies and cultures. Educational institutions have made considerable use of recreation in promoting their educational and health programs. Recreational programs also have been developed by religious institutions. In fact, many churches not only carry on recreational programs among their members but also aid in the development of community recreational programs. Some recreational activities of churches are combined with devotional programs at the meetings of church organizations, particularly the youth organizations; others are independent of the regular religious program. Among the activities sponsored by churches today are sports and games, crafts and art, musical programs, dramatics, camping, picnics, and motion pictures. The medical profession and hospitals have recognized the therapeutic value of recreation and are using it extensively as treatment for the physically and mentally handicapped in actual illness and in convalescence.



Récreation may also be used by society as a preventive process. For example, research indicates that juvenile delinquency rates often have dropped in areas where organized recreational programs have been adopted. In times of mass unemployment, such as in a depression period, the idleness of the workers can be a source of considerable unrest. Recreation, of course, cannot take the place of employment during such times, but an opportunity for sound recreation may relieve tensions and thus prevent mob violence.

### *Social Conditions and Recreation*

In the twentieth century, several new social conditions have focused attention on the importance of recreation. One of these is the increased leisure time of employed persons since the workweek in many fields of employment has been reduced to forty hours. Also, because many industrial organizations, hospitals, and transportation systems operate on a twenty-four hour schedule, many persons have leisure time at odd hours. Other persons employed in seasonal occupations have extensive leisure time during certain periods of the year. These modern conditions make it essential for society to provide constructive uses for the increased leisure time of its members.

The need for recreation among workers in industries and businesses, which have become increasingly technical and specialized, is another condition that has stressed the importance of recreation. In general, most workers today have fewer demands than formerly on their physical and mental energy. At the same time, the monotony and drudgery of many types of work in the office, business, or factory cause considerable nervous tension. Nor does the average industrial worker today have the satisfaction that came in preindustrial society from creating products. At the end of the work day, the worker is more likely to be bored by the hours of dull monotony than to be physically fatigued. Repeatedly, psychologists have maintained that recreation is an "absolute necessity" for persons whose energies are used mechanically and uncreatively. After working hours, many workers need to relieve the nervous tension by recreational activities. Management of modern industrial concerns, likewise, causes worry and mental strain. Trends in modern industry and business are not likely to be reversed; society therefore is faced with the responsibility of providing ways, means, and incentives for maintaining a well-balanced life for its members.

The change from a predominantly rural society, with space for recreational activities, to one increasingly urban, with congested

living areas, has been responsible for the emphasis on organized and commercialized recreational activities and for the development of the playground movement. In cities, the lack of adequate space for outdoor recreation and the disappearance of neighborliness have caused people to turn to organized recreation and commercialized amusements for companionship with others whose interests are similar to their own. Playgrounds especially have become more essential, since the crowded and congested neighborhoods of the city offer little opportunity for children to play in safety and under wholesome conditions.

Changes in family life have also been, in part, responsible for recreational trends. Laborsaving household equipment, prepared foods, and ready-made clothing have given both housewives and children more leisure time. At the same time, the building of multiple-family dwellings in the cities has made less outdoor space available for recreation for the family. Smaller families give fewer opportunities for companionship and recreational activities among their members. Today, members of the family are participating in organized recreational programs, in commercialized amusements, in playground activities, and in various unorganized and unsupervised activities.

### *Agencies Promoting Recreation*

Many agencies provide recreational opportunities of widely different types. Much recreational activity, however, is initiated and carried on by individuals and by family groups. Such activities as hiking, reading, creative writing, painting, and gardening are primarily individualistic and are engaged in independently of any recreational agency. Many forms of recreation are enjoyed in companionship but are independent of any organized program. The home is still an important center of recreation for many people, although conditions in modern society and limitations of the home have tended to take recreation out of the home.

**GOVERNMENTAL AGENCIES** Many governmental agencies—national, State, and local—contribute much to the recreational life of the people. Although national and State governments always have shown some interest in recreational needs, this interest has increased considerably in the twentieth century and was stimulated by the depression of the 1930's and the world wars. During the depression years, for example, the Leisure-time Division of the

Works Projects Administration (WPA) was instrumental in training thousands of unemployed persons to direct organized recreational programs in local communities and in providing musical and dramatic programs. In addition, WPA funds were used to construct many recreational facilities, such as playgrounds, athletic fields, swimming pools, picnic areas, and winter sports facilities in hundreds of communities.

Although no agency in the national government has promotion of recreation as its sole purpose, some agencies have units engaged in promoting programs for the use of leisure time. The national parks, for example, are one of the foremost recreational assets of the nation and are used by millions of people each year. The Children's Bureau of the Department of Health, Education, and Welfare publishes literature on games and recreational activities and co-operates with State and local agencies in developing recreational projects for young people. The Extension Service in the Department of Agriculture promotes and develops recreational activities for young people and adults in rural areas. This recreational program is carried on through the State agricultural colleges, and recreational specialists are available to aid in planning and carrying out recreational activities, as well as in conducting institutes for the training of volunteer recreational leaders. The 4-H Club program, with its stress on wise use of leisure time and its training in leadership for recreation, is one of the outstanding contributions of the Service to rural youth. Among other agencies developing recreational programs are the United States Office of Education, the Veterans Administration, the United States Forest Service, and certain specialized services of the armed forces.

In general, the recreational programs of the States include the development of State parks, forest recreation services, fish and wildlife conservation, promotion of tourist and vacation recreational activities, establishment of camping grounds, and provision for services to local communities to assist with their recreational problems. Nearly three-fourths of the States have services of this type, and several have established State Recreational Commissions.

Local governments sponsor programs of recreation to meet a wide variety of interests. Parks, swimming pools, playgrounds, golf courses, ball grounds, and community social centers are provided to carry out these programs. In many cities, libraries, schools, and museums also sponsor recreational programs. City dwellers, who usually desire to be amused rather than to amuse themselves, fre-

quently use commercial amusements to meet their needs for relaxation. City governments, however, are promoting recreational programs that have as one of their goals the active participation of the people. Local tax levies are commonly used to finance such programs, which in many areas are under the administration of trained recreational leaders and special recreational commissions. This movement, definitely a twentieth-century trend, is becoming increasingly acceptable, especially in the larger urban areas.

**SEMIPUBLIC AGENCIES** The programs of most semipublic agencies, such as youth service organizations, settlement houses, and boys' and girls' clubs, include recreation as a major activity. These agencies operate largely on a membership basis but actually serve many who do not have membership, participation in parts of their programs being open to nonmembers. Furthermore, membership usually is open to all, often with no fee or only a nominal fee. The cost of financing the programs is met in part by contributions and in part by membership fees, if they are required.

**PRIVATE ORGANIZATIONS** Recreation also is included in the activities of numerous private agencies and organizations. These groups generally restrict participation in their programs to their members, and membership is on a selective basis. Industrial plants, stores, churches, service clubs, fraternal organizations, labor unions, athletic clubs, country clubs, outing clubs, women's clubs, and groups organized for special types of activities, such as golf, tennis, polo, boating, and winter sports, are examples of private groups which sponsor leisure-time programs. Industrial plants and other business organizations, especially those with many employees, often develop extensive recreational facilities. Commonly these facilities include athletic fields, community centers, recreation rooms, playgrounds, vacation and week-end camps, and libraries. In many cases, a trained recreation leader is hired by the company. Today many churches encourage their members to take part in wholesome leisure-time activities, and many of them initiate, sponsor, and finance programs for such activities.

**COMMERCIAL RECREATION** Commercial enterprises have capitalized upon the desire for relaxation. These enterprises have built up a recreation business totaling several billion dollars annually. Commercial recreation differs from recreation offered by the above agencies in that it is primarily for profit. To become commercialized, a

recreational activity must have a sufficient demand to guarantee economic gain. Some of the more popular older forms of commercial recreation are concert halls, theaters, night clubs, dance halls, pool and billiard parlors, bowling alleys, and amusement parks. In the twentieth century, motion picture theaters, racing tracks, professional sports exhibitions, and travel all have developed into extensive and popular forms of commercial entertainment. Public interest in athletics has made profitable the growth of many professional sports, such as baseball, football, golf, ice hockey, tennis, and winter sports exhibitions. Collegiate athletics, especially football and basketball, attract thousands of spectators and have become commercialized in recent years.

One of the results of the development of commercial recreation is that millions of people are now spending their leisure time as spectators rather than as participants in recreational activities. Indeed, one of the twentieth-century trends in recreation is the increase in the popularity of spectator entertainment; each week millions of people get their relaxation from attendance at motion pictures, concerts, plays, and spectator sports and by listening to the radio and viewing television. Of course, recreational facilities which give people an opportunity to participate actively have also been developed commercially—for example, swimming pools, beaches, summer camps, tennis courts, golf courses, bowling alleys, and skating rinks.

## SUMMARY

In the twentieth century, there has developed a social recognition of the significance of both health and recreation. Government and other social institutions have stressed the importance of both these social areas not only in advancing individual and social welfare but also in promoting their own programs and objectives.

Great progress has been made in the area of health. Evidences of this progress are the lower death rate, longer life expectancy, and the control of certain diseases. Although great progress has been made, there are still many health problems that are of concern to society—for example, the high death rates from heart disease and cancer, the prevalence of infantile paralysis, and the injuries and deaths caused by accidents. Both private and governmental agencies are directing their efforts to bring about improvements in these areas.

National, State, and local governments have taken positive action

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One of the results of the development of commercial recreation is that millions of people are now spending their leisure time as spectators rather than as participants in recreational activities. Indeed, one of the twentieth-century trends in recreation is the increase in the popularity of spectator entertainment; each week millions of people get their relaxation from attendance at motion pictures, concerts, plays, and spectator sports and by listening to the radio and viewing television. Of course, recreational facilities which give people an opportunity to participate actively have also been developed commercially—for example, swimming pools, beaches, summer camps, tennis courts, golf courses, bowling alleys, and skating rinks.

## SUMMARY

In the twentieth century, there has developed a social recognition of the significance of both health and recreation. Government and other social institutions have stressed the importance of both these social areas not only in advancing individual and social welfare but also in promoting their own programs and objectives.

Great progress has been made in the area of health. Evidences of this progress are the lower death rate, longer life expectancy, and the control of certain diseases. Although great progress has been made, there are still many health problems that are of concern to society—for example, the high death rates from heart disease and cancer, the prevalence of infantile paralysis, and the injuries and deaths caused by accidents. Both private and governmental agencies are directing their efforts to bring about improvements in these areas.

National, State, and local governments have taken positive action

to promote better health conditions. The correction of environmental factors which may be a source of disease has been one of the most beneficial actions of government. For example, purification of water and milk supplies, inspection of food, sanitary disposal of garbage and sewage, and quarantine regulations have helped protect the health of the people. The United States Public Health Service and the public health departments of the State and local governments co-operate in many activities to safeguard the health of the people.

Recreational activities give people opportunities for change and provide a means by which the strains and tensions resulting from daily activities may be relieved. Certain social conditions in the twentieth century—for example, increased leisure time, the growth of cities, industrial employment, and changes in the family—have increased the importance of recreation.

One of the significant recreational trends in the twentieth century has been the wide acceptance of the worth of recreational activities to both the individual and society. As a result of this attitude, organized recreational programs have been developed in many communities. Another trend is the tendency of recreation to become more and more a part of the life of all people. Before the twentieth century, recreational activities, particularly organized activities, were considered as being principally for the wealthier members of society. Today, recreational activities and facilities are available to practically all people without cost, or for nominal fees. A third trend is the increasing interest of government in providing recreational facilities and in aiding in the promotion of recreational programs. All levels of government have contributed to providing opportunities for wholesome use of leisure time. The transfer of recreation away from the home to organized recreational activities and to commercial amusements is a fourth trend in recreational development. Though the home continues to be an important source of recreation for many people, it no longer has the important place it had in the past. A fifth trend is the development of commercial recreation. The popularity of commercial amusements has led to a sixth trend—the tendency for people to spend their leisure time as spectators rather than as participants in recreational activities.

## QUESTIONS

1. In what ways are health and education related? What have public schools done in recognition of the importance of this relationship?
2. What changes in the death rate and in life expectancy indicate



- progress in health? What additional evidence demonstrates similar progress?
3. List those diseases or health problems that have been brought under control and those that remain a threat to our society.
  4. Describe the kinds of work carried on by the United States Public Health Service. In what ways does this Service collaborate with State and local agencies?
  5. Define recreation. Of what importance is recreation to the individual? To society?
  6. Give examples of how social institutions use recreation to promote their programs.
  7. What twentieth-century social conditions have made recreation increasingly important?
  8. What kinds of recreational activities are promoted by each of the three levels of government—national, State, and local?
  9. Why has commercialized recreation developed extensively in the United States?
  10. What are the major recreational trends of the twentieth century?

## DISCUSSION

1. Do you think that education about safety can be sufficiently effective to prevent accidents? Why or why not? What would you recommend to reduce automobile accidents?
2. Should government do more than it is now doing to promote health activities? Why or why not?
3. Each of the following programs has been opposed by one or more interest or pressure groups: quarantine, inoculation, school hot lunches at cost, national park systems, and food inspection. What pressure group do you think opposed each of these programs? Why?
4. Certain urban conditions create problems of recreation. Do you think these problems should be the concern of city government? Why or why not?
5. What conditions exist to substantiate the statement that rural areas are the "recreational deserts of America"? What could governmental agencies do to correct these conditions?
6. If government continues to promote recreational programs and facilities, what will be the effect on individual and group activities in the use of leisure time? Do you think there is danger of overorganization of recreational activity? Give reasons for your answer.

## TERMS

**Leisure time:** The time remaining *after the formal duties and necessities of life have been attended to—that is, free time*, in which a person may do as he chooses.

**Registration area:** The area from which the National Office of Vital Statistics of the United States Public Health Service in the Department of Health, Education, and Welfare receives acceptable reports. Since 1933, all States have both death-registration and birth-registration areas.

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## 13 PUBLIC FINANCE

In the preceding chapters, we have been concerned with social policies which deal particularly with the welfare of the person and of groups of persons in society. In carrying out these and other policies, a government in a complex society functions through means that are similar to those used by business enterprises. It purchases goods and labor, and as its functions expand in number and scope, its needs for goods and labor increase. Since goods and labor cost money, and since government, unlike business, does not receive income from the sale of products (except in isolated, very insignificant instances), it must use special techniques to secure funds for financing its activities.

The problem of finance has become increasingly significant as public services have expanded. The people of the United States show more interest and probably more concern about this problem than about any other public issue. They are interested not only in the methods used to raise money but also in how government spends the money. The public debt also has become a matter of general concern. In short, public finance—raising revenue, expending money, and managing the debt—is a matter which has increasingly engaged the attention of the people.

### THE SCOPE OF PUBLIC FINANCE

All expenditures of government must be met by taxation, borrowing, or nontax revenue. In periods of emergency, borrowing usually exceeds taxation as a source of revenue. Over a long period of time, however, most of the revenue must be raised by taxation. Public indebtedness also is redeemed almost entirely by revenue obtained from taxes. Even when the debt is refinanced (borrowing money to pay the old debt, so that it becomes a revolving debt),

TABLE 1. Governmental Finances, 1950

LEVEL OF GOVERNMENT	(amounts in millions)		
	REVENUE	EXPENDITURES	INDEBTEDNESS
National	\$37,045	\$40,166	\$257,357
State	11,863	12,907	5,323
Local	13,545	(not available)	18,324
Total	\$62,453		\$281,004

Sources: U.S. Bureau of the Census, *Statistical Abstract of the United States, 1952* (73d ed.; Washington, D.C.: Government Printing Office, 1952), pp. 305-306. U.S. Bureau of the Census, *Compendium of State Government Finances in 1950* (State Finances, 1950, No. 2; Washington, D.C.: Government Printing Office, June, 1951), p. 16.

TABLE 2. Expenditures of the National Government, 1950

ITEM OF EXPENDITURE	(in millions)	
	AMOUNT	
Military services	\$12,281	
Veterans' services and benefits	6,645	
International security and foreign relations	4,805	
Social security, welfare, health	2,214	
Housing and community development	262	
Education and general research	123	
Agriculture and agricultural resources	2,793	
Natural resources	1,624	
Transportation and communication	1,703	
Finance, commerce, and industry <sup>(a)</sup>	213	
Labor <sup>(b)</sup>	262	
General government <sup>(c)</sup>	1,094	
Interest on indebtedness	5,817	
Bookkeeping adjustment	330	
Total	\$40,166	

(a) Expenditures for defense production in the form of loans and other financial assistance, aids to small business, and promotion and regulation of business.

(b) Employment service; unemployment compensation administration; labor standards, mediation, and regulation of labor relations; and labor information, statistics, and general administration.

(c) Expenditures for tax collection and financial management; for property management, national capital, territories, and immigration; for payment toward civilian employees' retirement fund; for legislative and judicial functions; for weather bureau; and others.

Source: Computed from U.S. Bureau of the Census, *Statistical Abstract of the United States, 1952* (73d ed.; Washington, D.C.: Government Printing Office, 1952), pp. 309-310.

the interest on the debt must be met by taxation. Expansion of governmental functions depends, therefore, upon the ability and willingness of the people to tax themselves in order to cover the cost of increased governmental activities.

The wide scope of public finance is evidenced by the amount of revenue, expenditures, and indebtedness of the national, State, and local governments. The year 1950 is taken as an example to indicate the immensity of the problem of financing government in the United States.

The principal items of expenditure of the national and State governments give an idea of the services performed by government for the people of the nation—the things, in other words, that the taxpayer “buys” with his taxes.

TABLE 3. Expenditures of the State Governments, 1950

(in millions)	
ITEM OF EXPENDITURE	AMOUNT
Operation, such as general government, public safety, health, schools, hospitals, public welfare, correction	\$5,457
Capital outlay, such as construction of highways, hospitals, schools, and purchase of land, buildings, and equipment	2,112
Aid paid to local governments, such as for schools, highways, public welfare, hospitals, health	4,011
Interest on indebtedness	88
Contributions to trust funds and enterprises (*)	1,239
Total	<u>\$12,907</u>

(\*) Payments to the unemployment insurance trust funds make up approximately 85 per cent of this item; also included in this item are payments to debt retirement funds and to public enterprises, such as State liquor stores and State owned banks

Source: Computed from U.S. Bureau of the Census, *Statistical Abstract of the United States, 1952* (73d ed.; Washington, D.C.: Government Printing Office, 1952), pp. 16-29.

We have mentioned that government obtains its money from taxation, borrowing, and nontax revenues. In the remainder of this chapter, we shall consider at some length taxation and borrowing by the three levels of government—national, State, and local. Nontax revenues are not considered, except incidentally, because they

make up only a small part of the total revenue. They are, however, important sources of revenue at the local level of government. Non-tax revenues include receipts from gifts, sale of public property, public charges for services, license fees, fines, public assessments, and income from public enterprises. These revenues, while found at all levels of government, are closest to the average person at the local level. For example, most urban dwellers pay for municipal water, light, or gas services, and nearly all citizens at some time pay for a public service, such as recording of deeds or a license of some type. Nevertheless, taxation provides by far most of the revenue for government—it is the lifeblood of government.

## PRINCIPLES OF TAXATION

### *Objectives of Taxation*

As we have suggested, the main purpose of taxation is to raise revenue. Government may, however, use its taxing power to regulate and control. The practice of regulating by means of tax measures often has been questioned, but two arguments have been advanced to justify it. First, the power to tax may be the only available governmental power to achieve the desired control. Second, the government may be able to economize by administering control through tax machinery instead of establishing separate agencies to exercise direct control. For example, taxes on the sale of opium and marijuana and taxes in the form of licenses and permits are used for control purposes. In recent times, another objective of a control nature has been proposed—that taxation should be used to control economic conditions, such as maintenance of full employment and control of inflation. Some economists propose that this objective be adopted as the sole aim of governmental tax policy. To place all emphasis on this one objective would mean to eliminate all other functions of governmental finance.

### *Allocating Tax Burdens*

In the determination of who shall pay taxes, two considerations are involved. First, all taxes are paid ultimately from the income of persons. Second, the ultimate and actual payment of some taxes is not made by the person on whom they are levied.

One of the oldest proposals for allocating tax burdens is that of *cost and benefit*. The proponents of this system claim that the cost of government should be allocated among those individuals and

case, the tax rate might be 5 per cent on the first \$3,000 of taxable income, 8 per cent on the next \$3,000, 11 per cent on the next \$3,000, and so on. In some cases, the tax rates may be regressive in nature—that is, the amount of tax paid by persons with small incomes is proportionally larger than by those with large incomes. The excise tax on tobacco and the State general sales tax tend to be regressive in effect. Such taxes are paid in proportion to the purchase of taxed goods. In most cases, people with small incomes spend a larger proportion of their incomes for the taxed goods than do people with larger incomes. The rate of taxation thus is heavier on those with small incomes.

### *The Incidence of the Tax*

As stated above, the final and actual payment of some taxes is not made by the person upon whom the tax is levied. This situation results when the taxed individual is able to shift the tax to someone else. The shifting of a tax is related closely to the incidence of the tax—that is, the final payment of the tax. The incidence of a tax rests upon the individual whose income is diminished by the tax. The process of shifting a tax from one person to another involves some kind of business transaction. The direction in which a tax may be shifted will depend somewhat upon the line of least resistance. The retail merchant may shift the entire tax to the consumer, as with the general sales tax. He may shift the tax back to the wholesalers or producers by forcing them to accept lower prices. He also may distribute the tax among the consumers, producers—and possibly his clerical help, by reducing wages or by delaying wage increases. The incidence of the tax, therefore, may be determined by shifting taxes forward or backward or by diffusing the tax burden. If the problem of tax shifting is not considered in planning a tax program, the objectives of society in determining who shall bear the cost of government may not be achieved.

## FINANCES OF THE NATIONAL GOVERNMENT

Until World War I (1917–1918), the finances of local governments engaged the attention of the people to a greater extent than they do at present. During recent years, national finances have become of increasing interest to the citizens of the nation and have dwarfed State and local governmental finances. Table 4 indicates the magnitude of the financial operations of the national government.

TABLE 4. Revenue, Expenditures, and Indebtedness of the National Government, 1933-1950

YEAR	(in millions)		
	REVENUE	EXPENDITURES	DEBT
1933	\$2,021	\$4,623	\$22,539
1934	3,064	6,694	27,053
1935	3,730	6,521	28,701
1936	4,069	8,493	33,779
1937	4,978	7,756	36,425
1938	5,761	6,938	37,165
1939	5,103	8,965	40,440
1940	5,264	9,182	42,968
1941	7,227	13,386	48,961
1942	12,690	34,180	72,422
1943	22,201	79,622	136,696
1944	43,891	95,315	201,003
1945	44,761	98,702	258,682
1946	40,027	60,703	269,422
1947	40,042	39,289	258,286
1948	42,211	33,791	252,292
1949	38,245	40,057	252,770
1950	37,045	40,166	257,357

Source: U.S. Bureau of the Census, *Statistical Abstract of the United States, 1952* (73d ed.; Washington, D.C.: Government Printing Office, 1952), pp. 305-306.

TABLE 5. Revenue Sources of the National Government, 1950

(in millions)	
SOURCES	RECEIPTS
Internal revenue	
Individual income tax	\$15,684
Corporation income tax	10,450
Spirits, wines, and liquors	2,219
Tobacco manufactures	1,328
Estate and gift taxes	698
Other internal revenue	4,467
Customs	423
Miscellaneous receipts	1,776
Total	• \$37,045

Sources: Computed from *Combined Statement of Receipts, Expenditures and Balances of the United States Government* (Treasury Department Document No. 3163, 1950), pp. 21-36; *Ibid.* (Document No. 3169), p. 1934; U.S. Bureau of the Census, *Governmental Revenue in 1950* (Governmental Finances in the United States, 1950, No. 2), p. 8.



### Sources of Revenue

The sources of revenue for the national government are many and varied. Taking the year 1950 as example, the above table shows the main sources of income.

As Table 5 indicates, these sources are grouped into three categories—internal revenue, customs, and miscellaneous receipts. The last category—miscellaneous receipts—includes proceeds from government-owned securities, Panama Canal tolls, seigniorage (the difference between the circulating value of a coin and the cost of the bullion and minting), and surplus postal revenue. The revenue received from these items, of course, is not tax revenue and will not be considered further in this chapter.

**INTERNAL REVENUE** The Internal Revenue Bureau of the Treasury Department collects the internal revenue taxes. Of these taxes—indeed, of all sources of revenue—the *income tax* is by far the largest producer for the national government. Income taxes are of two kinds—corporation net income tax and individual income tax. The corporation net income tax first was levied in 1909 and the individual income tax in 1913, although an individual income tax was in effect as an emergency measure during the Civil War. Later, when Congress passed another individual income tax law, the United States Supreme Court invalidated it on the grounds that the income tax was a direct tax<sup>1</sup> and therefore must be apportioned among the States in proportion to population, as provided in the Constitution of the United States. This decision led to the Sixteenth Amendment (1913), providing for levying income taxes without apportionment by population.

Both the corporate net income tax and the individual income tax are levied on the progressive basis—that is, the rate increases as the tax base (amount of income taxed) increases. In the individual income tax, a progressive scale of rates generally is accepted as an equitable tax, since it is based on ability to pay. Progression in the corporation net income tax has not met with such general approval, its critics charging both that the main purpose is regulation of business and that injustices in its administration have occurred.

Certain principles have been followed in applying the individual income tax in recent years. One of these is "pay-as-you-go" collec-

<sup>1</sup> Although the terms are used loosely, the assumption is that an indirect tax is shifted and a direct tax is not.

tion of taxes. The 1943 tax law provided that the greater part of the national tax on wages and salaries be "withheld" by employers from their employees' wages and be transmitted to the United States Treasury. The "pay-as-you-go" feature has met with general approval by taxpayers because it relieves them of paying a large lump sum in taxes by April 15 of each year. This feature of the income tax was designed also to help reduce fluctuations in national income, to enable the national government to meet its expenditures with current income insofar as possible, and to meet the problem of inflation by the regular draining of individual income (buying power) into tax channels.

Another principle in applying the income tax is that of increasing rates in order to meet emergency costs of the national government. When increased revenue is needed, the progressive rates can be increased, and as the emergency passes, the rates can be reduced. Thus, during World War I, the rates were increased, and after the war emergency was ended, they were reduced. With the defense program entailing heavy expenditures before World War II and with the extraordinary costs of the war after the entrance of the United States into the struggle, tax rates were increased to an unprecedented level. Following the end of the war, Congress provided for some reduction, but when the United States entered the Korean struggle, the tax was again increased.

A recently recognized principle in the application of the individual income tax is the splitting of income on "community property" tax returns. Community-property systems have existed in a few States for many years. According to these systems, half of the income of the husband is legally the income of the wife, and vice versa. Thus a married couple whose sole income is the husband's salary of \$8,000 is taxed as if there were two \$4,000 incomes. The higher the combined net income, the greater the savings under this principle. Since the national income tax law recognized the principle, families with taxable net income in community-property States paid less income tax than families with equal incomes in other States. At the high tax rates of World War II, the benefits, even on modest incomes, were appreciable; in the upper brackets, they were considerable. In the 1940's, more States adopted community-property systems, largely to aid their citizens in gaining the tax advantage. The national tax law of 1948 allowed all married couples to split their income for tax purposes, thus removing a tax discrimination between residents of different States.

This reduction in tax at the upper income levels has been criticized as seriously undermining the effective progression of the income tax. For example, if the income of a married couple were \$20,000, the splitting of the income reduced the tax from about \$7,260 under the previous tax provision to about \$5,280 under the tax law of 1948. Some criticism also has been leveled at the income-splitting feature because the taxes paid by single persons are considered unfairly high relative to those of married couples. This situation was recognized by the Revenue Act of 1951, which provided that unmarried persons who are heads of households are granted approximately half the tax advantages available to persons under the income-splitting provisions of the law.

In Table 5, the items of spirits, wines, and liquors and tobacco manufactures refer to a type of tax known as an *excise tax*. Excise taxes are levied on the manufacture or sale of commodities and services. Liquor and tobacco have been the mainstay of the national excise tax system, but other commodities, as well as services, have been taxed at one time or another. The revenue from these taxes is included in "other internal revenue" in Table 5. Goods and services on which excise taxes have been levied include (1) luxuries and semiluxuries, such as club dues, sporting goods, musical instruments, leather goods, and amusement admissions; (2) communication and transportation services; (3) commodities on which regulation is considered necessary, such as machine guns and opium; and (4) a miscellaneous group including lubricating oil, automobiles, refrigerators, and radios. The revenue from excise taxes has fluctuated widely, depending upon governmental needs. In times of emergency, excise-tax rates have been increased and many goods and services have been added to those being taxed. When the emergency has passed, rates have been decreased and many items have been removed from the tax list. Since World War II, this past flexibility has been followed only to a certain extent. The continued need for large revenue kept the high wartime rates in effect until 1954, when some reduction was made, but almost all goods and services which had been taxed were kept on the tax list. For the most part, reductions were from 20 to 10 per cent and in a few instances to 5 per cent.

Another source of internal revenue is *estate and gift taxes*. An estate tax is a levy upon the entire estate left by a deceased person, in contrast with an inheritance tax, which is a levy upon the

separate shares of an estate transferred to a decedent's beneficiaries. Both are referred to as death taxes. The national government has made use of the estate tax, while States generally have used the inheritance tax. Both the estate tax and the inheritance tax are examples of taxes imposed on the act or privilege of transferring property rather than taxes on the property itself, although the value of the property transferred is used as a measure of the tax.

As an aid in the enforcement of death taxes, the national government and about one-fourth of the States have levied taxes upon gifts made while the donor is still living. Administrators of death taxes find gifts of property before death one of their most vexing problems: the question frequently arises as to whether a gift was or was not made in anticipation of death. If it can be proved that the gift was made in anticipation of death, it is subject to the death-tax rates. Such proof was so difficult to establish before the courts that in 1932 the national government, to prevent evasion of death taxes, levied a gift tax. When a gift has been taxed, it is not included as a part of an estate for computing estate taxes.

Again referring to Table 5, we have mentioned that some excise taxes are included in the item "other internal revenue." The largest amount of revenue in this item, however, comes from the payroll taxes levied under the Social Security Act of 1935. Revenue from the tax on gasoline also is included in this item. Considerable criticism has been leveled against the national gasoline tax, such a tax being considered by its critics an encroachment upon a source of revenue that should be reserved for the States.

**CUSTOMS** The third main category of sources of revenue is customs. In the United States, customs duties are levied only on imports; the Constitution forbids the taxing of exports. Customs were the chief source of national revenue from the founding of the nation until the Civil War. From that time until World War I, about half of the total national revenue came from this source. Since World War I, only a comparatively small part of the total national revenue has been derived from customs.

Customs constitute the only major tax that is limited to one level of government. The exclusive use of this form of taxation by the national government is the result of a constitutional provision prohibiting the States from levying import or export duties.

### National Borrowing

Throughout most of its history, the national government has engaged in borrowing, either to meet domestic emergencies or to finance war and its resulting obligations. The national debt of the Revolutionary War had not been paid before new debts were incurred for the War of 1812. This process has been repeated many times—during the Mexican War (1846–1848), Civil War (1861–1865), World War I (1917–1918), and World War II (1941–1945).

TABLE 6. Debt of National Government (Selected Years)

(in millions)		(in millions)	
YEAR	AMOUNT	YEAR	AMOUNT
1790	\$ 75	1941	\$ 48,961
1820	91	1945	258,682
1840	4	1946 (Feb. 28)	279,000
1850	63	1946 (June 30)	269,422
1870	2,436	1947	258,286
1916	1,225	1948	252,292
1919	25,482	1949	252,770
1930	16,185	1950	257,357
1932	19,487	1954	271,300
1938	37,165	1955	276,686

Sources: *Annual Report of the Secretary of the Treasury on the State of the Finances* (Treasury Department Document No. 3162; Washington, D.C.: Government Printing Office, 1950), pp. 396–399; *Federal Reserve Bulletin*, July, 1954, p. 750.

For a number of years before World War I, the national debt remained at about one billion dollars. The financing of World War I jumped the debt to more than \$25 billion, but in the ten-year period after the war the debt was retired at the rate of about \$1 billion per year. With the coming of depression during the 1930's, a sharp upturn took place, and in 1940, with the initiation of the defense program, the debt climbed steadily, reaching about \$49 billion in 1941. The financial needs of World War II caused the debt to soar, reaching a peak of \$279 billion in February, 1946. Slight reductions occurred in the years immediately following the end of the war, but this trend was reversed with the outbreak of the Korean War in 1950, and a new peak was reached in 1955 when the debt stood at \$276.6 billion.

The borrowing power of the national government as provided in

the Constitution is unrestricted. Congress has passed laws, however, setting limits on the total amount of indebtedness that may be incurred. At various times during World War II, Congress raised the national debt limit until it reached \$300 billion in 1945. After the war, Congress reduced the limit to \$275 billion, at which figure it remained until August, 1954, when the limit was raised to \$281 billion. This increase was to be in effect only until June 30, 1955, when the debt limit was to revert to \$275 billion, but in 1955 Congress extended the \$281 billion limit to June 30, 1956.

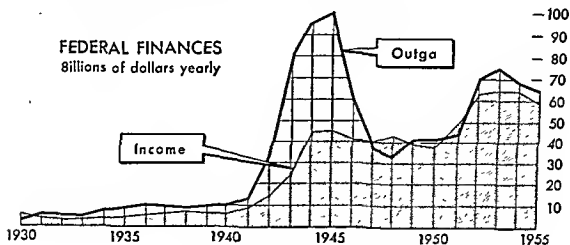
The interest rate on national borrowing definitely has been downward in recent years. For example, in 1929 the average rate of interest paid was 4.178 per cent. In 1937, it was 2.582 per cent, and, despite the huge borrowing of the World War II period, the average rate was only 1.924 per cent in 1944. For 1950, the average rate was 1.958 per cent. Although the national government has been able to borrow money at low interest rates, the total interest charges on the national debt take about \$6 billion a year, or about 2½ per cent of the people's income.

The national debt has been of concern to many citizens. Fear has been expressed that taxation to service the enormous debt would discourage new investments and economic progress. Another fear is that the debt might destroy the credit of the government and lead to disastrous inflation. On the other hand, some citizens have viewed the debt very casually, assuming the attitude that "we owe it to ourselves" and that it therefore constitutes no burden. There are also proponents of a "perpetual" debt, who argue that paying off debts is deflationary, that a debt provides a good medium of investment, and that governments therefore should not seek to retire their debts.

These expressions probably represent extremes. Those who fear a large debt have overlooked the productive powers of the nation, as demonstrated during the war years. With proper direction, those productive powers may be ample to carry a heavy debt load. Those who pass over the debt lightly, because bonds are held by people and institutions of the United States, fail to recognize the important fact that bondholders and taxpayers are not necessarily the same persons. The advocates of a perpetual debt overlook the great financial savings and morale-building effects of a systematic plan of debt retirement.

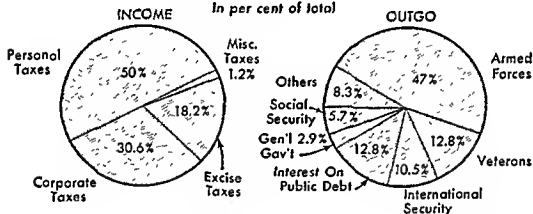
One writer on the subject expresses the complexities of the debt problem in the following words:

# THE NATION'S LEDGER FROM 1930 TO 1955



## FEDERAL RECEIPTS

In per cent of total



## NATIONAL DEBT AND NATIONAL INCOME

Billions of dollars

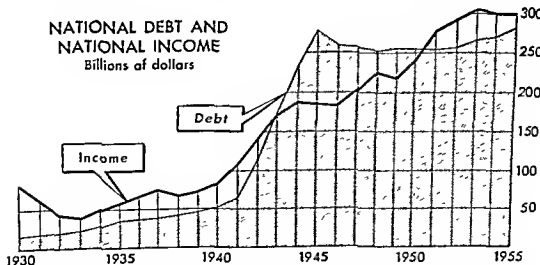


Figure 12. (Adapted from Baldwin, *Recent American History*, American Book Co., 1954)

Just how much debt a nation can carry without too great a strain will depend on many factors, including the distribution of the debt, the distribution of income, the tax system, and most important of all, the maintenance of a high income. The ideal economic order for carrying a high debt comfortably would be a large national income, equitably distributed throughout all income groups, wide distribution of the debt, and a reasonably progressive tax system. The nearer we approach the ideal, the less difficulty will the debt give us. A debt of twice the national income is generally recognized as not so large as to cause alarm.<sup>2</sup>

This authority, like many others, emphasizes the relation between the national income (the estimated total income received by all persons in the country during the course of a year) and the national debt. Although the present debt is not considered burdensome in relation to the national income supporting it, should the national income drop to \$50 or \$60 billion annually, the debt would become burdensome. National income amounted to approximately \$155 billion in 1945 and the national debt was approximately \$259 billion. For 1953, the national income was approximately \$305 billion and the national debt approximately \$266 billion. The relationship between the public debt and the national income may be generalized by this statement: the public debt will not be burdensome as long as national income increases at the same rate as the national debt, and the debt will be more or less burdensome as national income increases more slowly or more rapidly than the debt.

## FINANCES OF STATE GOVERNMENT

The financing of State government does not involve nearly so much money as that of the national government. Nevertheless, the services given by the State are as vital as those of the national government. The nature of those services has been indicated in Table 3, which shows the chief items of expenditure of State governments in 1950.

The methods of raising State revenue changed during the first half of the present century. A fairly uniform pattern was followed during the nineteenth century, when the general property tax was the basic source of revenue. Some special taxes were used toward

<sup>2</sup> Harold M. Groves, *Financing Government* (New York: Henry Holt & Co., 1945), p. 544.



the end of the century, but until World War I the property tax continued as the chief source of revenue. Since then new taxes have been added, and today the property tax yields only a small proportion of total State revenues. The result has been less uniformity in the taxing pattern among the States. For example, of the new taxes only the motor vehicle taxes and the social security taxes have been used by all States. Inheritance taxes have been adopted by all but one State (Nevada); income taxes by two-thirds of the States; and general sales taxes by more than one-half.

TABLE 7. Sources of State Revenue, 1950

		(in millions)
	SOURCE	AMOUNT
Taxes		
	General sales or gross receipts	\$ 1,670
	Motor vehicle	1,544
	License and privilege	1,203
	Alcoholic beverages	420
	Tobacco products	414
	Individual income	724
	Corporation income	586
	Property	311
	Unemployment compensation	1,028
	Other taxes	1,040
	Total taxes	\$ 8,940
	Aid received from national and local governments	\$ 2,030
	Earnings and miscellaneous	893
	Total revenue	\$11,863

Source: Computed from U.S. Bureau of the Census, *Compendium of State Government Finances in 1950* (State Finances, 1950, No. 2; Washington, D.C.: Government Printing Office, June, 1951), pp. 6-15.

### Sources of Revenue

**TAXES** Although used by only slightly more than one-half of the States, the *general sales or gross receipts tax* is the most lucrative of all States taxes. This tax is of recent origin. West Virginia first adopted it in 1921, and during the depression of the 1930's many States turned to it—thirteen States in 1933 alone. Various forms of the tax are used in the different States. In the strict meaning of the term, a general sales tax should provide for the taxing of "every sale of anything to anybody." Such a tax does not exist any

place in the United States. The general sales taxes in use are modified in one or both of two ways.

One form of modification consists of limiting the number and kind of articles to which the tax applies and exempting certain agencies and institutions from the tax. An example is the provision in some sales-tax laws omitting from the tax food products and other necessities of life and exempting State institutions from paying the tax. The other form of modification consists of limiting the number and kind of transfers to which the tax applies. One form of general sales tax may apply only to retail sales—that is, sales made by a retail merchant to an ultimate consumer. Such a tax is called a single-turnover tax: it affects the commodity at only one stage as it passes from producer to consumer. Other forms of the single-turnover tax levy the tax on an article only when it leaves the manufacturer, or only when it is sold by the wholesaler. In contrast to these single-turnover taxes, a tax may be levied on the same article at two, three, or more stages as it passes from producer to consumer—a multiple-turnover tax. The single-turnover plan is used by most of the States that have adopted the general sales tax. About twenty States have the single-turnover retail sales tax, with the most common rate being 2 per cent.

The general sales tax has caused more controversy than most other taxes. Its proponents point to the undisputed fact that it produces large revenues; its opponents point to its regressive features. Since the yield of the general sales tax comes primarily from essential commodities, this tax takes from people with small earnings a greater percentage of their income than from people with large earnings. A large portion of the income of the people in the lowest income brackets is subject to the general sales tax, whereas the wealthy do not spend any considerable portion of their earnings for the essentials of living, the result being that a large part of their income is not subject to this tax.

In most of the States having general sales taxes, a companion measure—the *use tax*—has been introduced. The primary purpose of this tax is to reach those purchases on which a sales tax has not been paid because the purchases have been made outside the State. The use tax is designed to place sales between two parties, one outside and one inside the State, on a par with sales between two parties within the State. The rate of the use tax is usually the same as the general sales tax, and the tax must be paid to the proper tax agency within a specified period after the purchase is made. Some

States exempt purchases up to a certain amount—for example, \$20.00—from the use tax and do not require payment of the tax if the purchase has been subject to some other State sales tax equal to, or in excess of, their prevailing tax rates.

The second largest revenue producer for State governments is the *motor vehicle taxes*, of which the gasoline tax and the motor vehicle license tax are the principal ones. In 1919, Oregon adopted the first gasoline tax in the United States, and during the next ten years all other States enacted similar taxes. The rates of this tax vary considerably among the States, the median rate in 1950 being five cents per gallon.

The gasoline tax is unusual in that it is accepted by the consumer without much complaint. Its acceptance is owing, no doubt, to the application of the benefit principle of taxation without violating the principle of ability to pay. More than in most tax payments, the gasoline taxpayer receives tangible benefits, such as road maintenance and construction, which correspond fairly well to the amount of tax he pays. With one major exception, gasoline taxes are comparatively simple to administer. The one exception is the exemption or refund for nonhighway users. The difficulty lies in working out a simple and just system which will not penalize the person who uses gasoline for purposes other than to operate vehicles on highways and which at the same time will prevent abuse of the privilege. One plan is to require the purchaser to pay the tax and then seek a refund for the part not used on the highways. Another plan is simply to exempt gasoline sold for nonhighway uses. Experience by States using the two plans indicates that the refund method results in larger tax receipts than the exemption method.

The motor vehicle license tax usually is considered a companion of the gasoline tax. It was in use before the gasoline tax, but the annual revenue from this tax throughout the nation now is somewhat less than one-half the gasoline tax receipts. When first used, the motor vehicle license charge was a fee rather than a tax. To help in policing and patrolling, the States required the registration of motor vehicles and made charges to cover the costs involved. New York, in 1901, was the first State to provide for vehicle registration, but by 1910, nearly all States had some form of automobile registration. Soon thereafter, States began to realize the revenue possibilities of the tax, and within a few years the graduated principle—according to weight of vehicle or some other standard—became common throughout the nation.

The third most lucrative source of taxation for the States in 1950 was the *license and privilege taxes*. Included in this class of taxes are licenses required for operating such businesses as liquor stores, chain stores, insurance companies, places of amusement, and corporations. Hunting and fishing licenses, motor vehicle operator licenses, barber and beautician licenses, and many others contribute to this revenue.

A number of *excise taxes* are levied by State governments, and since these taxes are placed on commodities, they are considered special sales taxes. The excise taxes producing the largest revenues are those on alcoholic beverages and tobacco products. Taxes are levied on numerous other commodities and services, including soft drinks, candy, olcomargarine, cosmetics, and admissions. In Table 7, a considerable part of the item "other taxes" is made up of the receipts from these special sales or excise taxes. Specific sales or excise taxes, being levied on only selected items usually of the luxury or semiluxury type, are not criticized as severely for being regressive as is the general sales tax.

The *individual and corporation income taxes*, used as a revenue source by about 65 per cent of the States, show considerable variation among these States. But in general the tax laws on individual incomes follow regulations of the national law in determining income subject to taxation. As compared with the national law, the State rate schedules are mild, the average maximum rates on both individual and corporation incomes being about 5 to 6 per cent.

As we have stated previously, the *general property tax* today is not as important a source of revenue to the State governments as it was during the last century. Many other taxes are now used by the State governments to obtain revenue, and the property tax has increasingly been left to local governments as a revenue source.

The *unemployment compensation payroll tax* resulted from the Social Security Act of 1935. Its main purpose has been to encourage States to institute unemployment insurance programs. (See Chapter 22, Volume I.)

The item of "other taxes" in Table 7 includes several kinds of taxes besides the excise taxes mentioned above. One of these taxes, the *inheritance tax*, is the predominant form of death tax in the States. This tax is a minor source of revenue, since property is usually inherited by close relatives of the deceased and most States allow liberal exemptions and set low tax rates for such heirs. Another

tax—the *severance tax*—is used by about one-half of the States. This tax is a levy upon natural resources at the time they are “severed”—that is, removed—from the land. The tax rate is a fixed percentage of the net proceeds of the natural resource. The tax is levied on oil, gas, mineral ores, coal, and lumber.

Many other kinds of taxes are levied by States in greater or lesser numbers. These include taxes on gifts, capital stock, gross earnings of public service corporations, and transfers of legal documents. The poll tax is used by a few States.

**SOURCES OF REVENUE OTHER THAN TAXES** In addition to taxes, States receive income in the form of aid from the national and local governments. In 1950, States received \$1.9 billion from the national government and \$70 million from local units of government. The largest single item from the national government was \$1.1 billion for public welfare. The second largest was for highways—\$435 million. The national government also gave aid to States for schools, health, development of natural resources, and other programs.

The aid received from local governments included revenue for health, public welfare, highway, and other programs. In 1950, the largest item was for highway maintenance—\$36 million, or one-half of the \$70 million received by the States from local units of government.

State governments also obtain revenue from the earnings of State enterprises and other miscellaneous sources. An example of State enterprises is the alcoholic beverage stores in those States that have a monopoly on the retail sale of such beverages. Included in miscellaneous sources of revenue are receipts from rental and sale of State property, services rendered by State courts and other agencies, special assessments for capital improvements, royalties, donations, and fees paid by students in State-owned colleges and universities.

### *State Borrowing*

The States have full power to borrow except for such limitations as are imposed by the Constitution of the United States<sup>2</sup> or by their own constitutions. Most State constitutions contain restrictions on the States' power to borrow. One form of restriction is a specific limit stated in the constitution. Bond issues above the limit can be

<sup>2</sup> By Article I, Section 8, States are prohibited from issuing debt instruments in the form of “bills of credit” intended to circulate as money.

made only by amending the constitution. Another form of restriction requires that bond proposals be submitted to a vote of the people.

The early history of State borrowing was marked by periods of recklessness and subsequent financial distress, a fact explaining in part the restrictions on debts that appear now in State constitutions. Since the panic of 1873, which caused twelve States to default on their bonds, States generally have followed conservative practices in borrowing. From 1875 until after World War I, the amount borrowed by States was comparatively small. Beginning in 1919, State borrowing, primarily for highway construction, increased at a rapid rate. A new wave of State borrowing, this time for relief purposes,

TABLE 8. Debt of State Governments (Selected Years)

(in millions)		(in millions)	
YEAR	AMOUNT	YEAR	AMOUNT
1902	\$ 270	1944	\$2,768
1912	423	1945	2,425
1922	1,163	1946	2,358
1932	2,896	1947	2,978
1937	3,276	1948	3,772
1940	3,526	1949	4,024
1942	3,211	1950	5,323

Source: U.S. Bureau of the Census, *Governmental Debt in 1950* (Governmental Finances in the United States, 1950, No. 1; Washington, D C., Government Printing Office, December, 1950), p. 5.

occurred in the 1930's. During World War II, curtailed construction of public works and large State revenues caused a contraction of borrowing, and many States reduced their indebtedness. As Table 8 indicates, however, the trend of State debt turned upward in the years after the war. For example, State debt increased by about one-third from 1949 to 1950. More than one-third of all State debt in 1950 was for the financing of bonuses paid to World War II veterans; about 30 per cent for highways; and the remainder for schools, hospitals, and other purposes.

In 1950, the total State debt made up only 1.9 per cent of all public indebtedness in the nation. Compared with the national debt of \$257 billion, it was inconsequential, and local governmental debt was larger, city governments alone having debts twice the amount of the total debt of the State governments.

## FINANCES OF LOCAL GOVERNMENT

Local governmental units include counties, townships, cities, school districts, and a miscellaneous group, such as drainage, irrigation, soil conservation, and cemetery districts. These units of government are creatures of the State—that is, they may be created or abolished by action of State legislatures. School districts are by far the most numerous units of government, although recent legislation in several States has reduced their number. For example, in 1942 there were about 108,579 school districts, but by the end of 1950, about 25,000 of these districts had been eliminated. The number of towns and townships also has been reduced, but the number of incorporated cities has increased. At present, there are about 120,000 units of local government.

Although no data are available to determine the total expenditures of all units of local government, we have noted (Table 1) that the revenue received in 1950 amounted to \$13.5 billion. Since we do have information that the indebtedness of local government increased from 1949 to 1950, we can conclude that the expenditures exceeded the revenues. The expenditures of local government are made for services that are of direct concern to the people of the locality. The principal items of expenditure are for schools; public safety (police, fire, and others); public welfare; streets, roads, and bridges; health and hospitals; sanitation; and recreation.

### *Sources of Revenue*

Throughout most of the history of the United States, local governmental units depended almost entirely upon the *property tax*. In recent years, other revenue sources have supplemented this tax, but even at present it furnishes more than one-half of all revenue received. Some of the chief supplementary revenue sources are sales taxes; licenses and permits; charges for services, such as water, electricity, and gas; and aid received from other governments, particularly from the State for such things as schools and roads, and from the national government for such things as housing and community improvement.

Until the Civil War, the property tax properly could be called a "general property tax," for it applied to every kind of property. Since then, it has become in administration, if not in name, less and less a "general" property tax. A number of kinds of property have been made tax exempt—for example, property used for charitable

TABLE 9. Sources of Revenue of Local Government, 1950

		(in millions)
SOURCE		AMOUNT
Taxes		
Property		\$ 7,056
Sales and gross receipts		484
Licenses and permits		383
Income (individual and corporation)		71
Death and gift		5
Social insurance		3
Charges and miscellaneous		1,377
Aid received from other governments		4,166
Total revenue		\$13,545

Source: U.S. Bureau of the Census, *Governmental Revenue in 1950* (Governmental Finances in the United States, 1950, No. 2; Washington, D.C.: Government Printing Office, August, 1951), p. 9.

and religious purposes—and other kinds of property, such as operative property of railroads and of mining enterprises, have been excluded from the general rate and subjected to special rates. Omitting references to variations and limitations, the general property tax is a tax upon all wealth that possesses exchange value. It is levied on the basis of the assessed value of the property at a rate that is uniform for all of the same type of property in the tax district. General property consists of two main classes—real estate and personal property. Real estate is divided into land and improvements, personal property into tangibles (automobiles, furniture, and so forth) and intangibles (stocks and bonds). The dividing line often is not distinct, and courts and legislatures sometimes must decide in which class certain properties belong.

The administration of the general property tax varies only slightly throughout the nation. Certain fundamental steps constituting the "tax calendar" are found everywhere. Naturally, variations are found from State to State and, to a lesser extent, within States. The calendar is usually divided into four major steps—assessment, equalization or review of the assessment, establishment of the tax rate, and collection.

In most States, the county assessors, with their deputies, make nearly all the assessments, under the supervision of a State revenue or tax commission. Personal property usually is assessed each year and real estate only periodically—for example, every two or four



years. In general, personal property is assessed in the district in which it is located at the time of assessment. Money and credits are listed where the owner resides, except when they pertain to a business, in which case assessment is made at the place of business.

Equalization, which follows assessment, has two main purposes—(1) to correct inequalities of the original assessment within a taxing district, such as between individuals and business concerns, and (2) to provide a basis for equalizing the assessments between different taxing districts in order to distribute the local and State tax burdens more equitably. The local equalization group is made up of the county board or commissioners, and the State equalization agency is the revenue or tax commission.

The third step in the administration of the general property tax is determining the tax rate to be applied to the equalized assessed valuations. These values are the basis on which property taxes are levied for the State, counties, townships, cities, schools, and other districts. The usual practice is for each tax district to prepare a budget of its financial needs and the possible sources of income. The budgets are published, and in many States interested citizens of the tax district attend a public hearing at which the proposed budget is explained and discussed. The total revenue needs of the tax district having been determined, the amount is divided by the assessed valuation of property to determine the tax rate. The rate frequently is stated as so many mills per dollar valuation or so many dollars per \$100 of valuation. State laws provide detailed lists of limitations on the tax rate for various taxing districts.

The final step in property-tax administration is tax collection. Without prompt and thorough collections, the most careful and efficient work in assessment is of little value. Although part of the blame for incomplete collections may be charged to inefficient collection procedure and negligent administration, unjust taxation probably constitutes a more fundamental cause. Cases have occurred in which special assessments in the form of road taxes, paving taxes, and other special taxes have been applied to property in excess of its regular income or market value. Owners often allow such taxes to become delinquent.

### *Borrowing by Local Government*

The pattern of borrowing by local governmental units has followed the general pattern of State borrowing, although the amount of money borrowed has been considerably greater. After World War I, the amount of borrowing was stepped up, primarily because

of bonds issued for roads, streets, and other civic improvements. The depression of the early 1930's caused another increase in local indebtedness, particularly for relief and public works. For example, in 1922 the total local government debt amounted to \$9 billion and in 1932, to \$16.6 billion. During World War II, local governmental units restricted their borrowing and redeemed some of their debts, but after the war, a sharp increase in debt occurred in every major type of local government, particularly in school districts. The unit of local government having the largest indebtedness is the city: in 1950, more than one-half of the total indebtedness of local government was carried by cities.

Local borrowing is governed by State laws, with regulations usually more detailed than the self-imposed regulations on borrowing by States. Past records of local borrowing show a need for limitations and indicate that even where restrictions have been in effect, they frequently have been inadequate or have been administered inefficiently. The typical limitation is a provision by State law restricting the amount borrowed by local governments to a specific proportion of the assessed value of the property within the borrowing district.

TABLE 10. Indebtedness of Local Government

	(amounts in millions)				
	1932	1940	1944	1948	1950
County	\$ 2,775	\$ 2,156	\$ 1,694	\$ 1,408	\$ 1,666
City	9,909	9,899	8,624	8,859	10,107
Township	433	290	202	276	377
School district	2,170	1,813	1,465	1,560	2,710
Special district	1,393	2,562	2,718	2,877	3,504
Total	\$16,680	\$16,720	\$14,703	\$14,980	\$18,324

Source: U.S. Bureau of the Census, *Governmental Debt in 1950* (Governmental Finances in the United States, 1950, No. 1; Washington, D.C.: Government Printing Office, December, 1950), p. 6.

## FISCAL RELATIONS BETWEEN LEVELS OF GOVERNMENT

As we have considered the means of financing government, we may have given the impression that each level of government is set off in a compartment without fiscal relations with the others. To correct any such impression, as well as to give some recognition to

a growing problem in public finance in the United States, we now shall consider some of the fiscal relations between levels of government.

When revenue needs were smaller, there were rather clear-cut division lines between the national and State and local governments. Throughout the early history of the nation, the national government depended almost entirely upon customs and excises as sources of revenue, and State and local governments subsisted mostly on property taxes. This compartmentalization of revenue sources became less distinct during the first two decades of the twentieth century, and in the period since World War I, it has disappeared almost completely. Because of increased revenue needs, both the State and national levels of government now tax incomes, sales, and business.

In addition to the use by the national and State governments of the same kinds of taxes, there are other, equally important, problems of fiscal interrelations. These problems are associated with grants of funds from the national government to State and local governments and State subsidies to, and State sharing of taxes with, local governmental units. Another problem is that of interstate relations in taxation, such as multiple taxation and interstate competition in taxation. Problems of State taxation of national instrumentalities and national taxation of State instrumentalities have become important. Overlapping administration is one of the major problems common to all of these interrelationships. Co-ordination of financial activities at all levels of government—national, State, and local—is a complex matter.

### *Duplicate Revenue Systems*

A number of taxes now are levied by both national and State governments. Both levy an individual and corporate income tax and death, gasoline, liquor, and tobacco taxes. The problems arising from this duplication include separate administrative systems, limitation of the revenue resources of a tax for each level of government, and equalization of burdens upon certain classes of taxpayers. Separate administrative systems not only are costly but also frequently fail to synchronize their administrative procedures and regulations properly, with consequent annoyance to the taxpayer. The limitations inherent in the revenue resources of a tax when levied separately by both the national and State levels of government often result in one level's getting the major share of the proceeds of the

tax. Usually, the national government has been in the advantageous position. This situation is illustrated in the taxation of individual and corporate incomes.

### *Governmental Aids*

Unfortunately, the level of government best fitted to perform service functions frequently is not the level of government best fitted to administer and collect taxes. Consequently, if governments are assigned the jobs they are best fitted to perform, provision must be made for transferring revenues from the level where collections are made to the level where the service functions are performed. Generally speaking, the larger units of government are best fitted to collect the taxes; the smaller units are best fitted to perform the service functions. Throughout the years, elaborate systems of grants-in-aid from the national government to State and local governments and State aid to, and State sharing of taxes with, local governments have been devised to meet the problem. Grants-in-aid have been given by the national government for such programs as the establishment of agricultural experiment stations, construction of highways, rehabilitation and education of veterans, and social welfare. States also have made grants-in-aid to local governments for such programs as public welfare, education, recreation, and highway and street maintenance. In addition, State governments have redistributed to local governments a part of the revenue of some taxes collected by the State—for example, a share of the cigarette and alcoholic beverages taxes. These funds usually are not earmarked for any particular function, but may be used by the local governments for general purposes.

### *Interstate Relations*

One of the major problems of interstate relations is multiple taxation, which takes such forms as taxation of the same income by more than one State and double taxation of intangibles through death taxes. Another interstate complication is the competitive taxation by States. Instances of special favors given to businesses are not unusual. Some States for years have been rivals in attracting corporations by low corporation taxes or exemption from taxes for a period of years. A recent problem of interstate relations is that of trade barriers between the States—for example, fees and regulations applying to buses and trucks moving across State lines.

### *Taxation of Government Instrumentalities*

An instrumentality is a means or medium by which something is performed or accomplished. Government instrumentalities consist of property, agencies, bonds, and a host of other things that are part of the operative machinery of government. From the federal principle of government laid down in the national Constitution, it was accepted early in the history of the nation that a State government may not tax the instrumentalities of the national government. A reciprocal principle, that the nation may not tax the instrumentalities of the States, developed later. These principles developed as a result of court decisions and not because of specific constitutional provisions. The immunity from taxation created by these rules covered a wide field, which was not disturbed until recently. A decision by the United States Supreme Court in 1938<sup>4</sup> caused the salaries of all employees of State and local governments to become subject to the national income tax. Following the Supreme Court's action, the States provided by legislation for taxing salaries of employees of the national government. This action also was upheld by the Court.<sup>5</sup> This inroad into the immunity doctrine has opened the door for at least the consideration of taxing many government instrumentalities. The possibility, however, of State and local taxation of property owned by the national government without national consent is highly improbable. National governmental agencies and enterprises, such as the TVA and some types of public housing projects, make payments to local governments in lieu of taxes on property taken over by these enterprises. No uniform standards and procedures have been used for handling this matter, and payments in lieu of taxes is one of the most unsatisfactory areas in intergovernmental fiscal relations.

### SUMMARY

Governments, like business enterprises, need labor and goods to carry on their operations. Raising revenue, spending money, and borrowing make up the fiscal operations of government. The problem of financing government has become increasingly significant with the development of the positive state. Expansion of old services and functions and addition of new ones have decidedly increased

<sup>4</sup> *Heller v. Gerhardt*, 308 U.S. 405 (1938).

<sup>5</sup> *Graves v. New York ex rel. O'Keefe*, 308 U.S. 466 (1932).

the financial needs of government.

The three ways in which the expenditures of government must be met are taxation, borrowing, and nontax revenue. Nontax revenue, such as gifts, sale of public property, fines, and public charges for services, make up a very small proportion of total governmental revenue. Ultimately, most of the expenditures of government must be met by taxation. In periods of emergency and crisis, however, borrowing usually is relied upon to supply most of the revenue. Taxes, of course, must be used to reduce the public debt and to pay interest on the debt.

In determining a tax policy, government usually follows certain well-established principles. First, the purpose of the policy must be decided—that is, whether the tax is primarily for revenue or for regulation and control. Second, the allocation of the tax burden must be determined—that is, the basis upon which the people shall be required to pay taxes. Two criteria followed in this principle are cost and benefit and the ability to pay. Third, the incidence of the tax must be determined—that is, who ultimately shall pay the tax. This principle involves the shifting of taxes to the person whose income is eventually reduced by payment of the tax.

Many kinds of taxes are used by the national, State, and local governments. At present, the chief sources of revenue for the national government are the individual income tax and the corporation net income tax. State governments use the general sales tax, motor vehicle taxes, and the license and privilege tax as their principle revenue sources. Local governments rely upon the general property tax for most of their revenue. In their efforts to raise money in order to meet growing expenditures, each level of government has attempted to tap every possible source of revenue. One result of these efforts has been overlapping of taxes—for example, in some places all three levels of government tax individual and corporation income; both national and State governments tax gasoline, tobacco products, alcoholic beverages, and motor vehicles; both local and State governments use death and gift taxes, motor vehicle licenses, and permits for certain professions and semiprofessions. In addition, there is competition among States for revenue, with the result that multiple taxation exists—for example, a person's intangible property may very well be taxed in more than one State under certain circumstances.

Under conditions of overlapping and multiple taxation, some taxpayers may carry an extremely heavy burden of taxation. Further-

more, duplicate systems of tax administration exist, increasing costs of administration and adding to the tax burden. Experience has indicated that the level of government best fitted to collect taxes is not always the one best equipped to perform service functions for the people. Some steps have been taken to remedy this situation. For example, grants-in-aid by the national government are made to State and local governments for particular purposes, State grants-in-aid are made to local governments, and States share some taxes with local governments.

Borrowing by the national government has been resorted to during times of emergency, such as war and economic depression. During most wars, the national debt has increased markedly, particularly during World Wars I and II. The debt soared to huge proportions during World War II and has not been reduced appreciably since that time. Borrowing by State and local governments has followed the same general pattern, but this pattern has been different from that of the national government. For example, during times of emergency, State and local governments refrain from borrowing and redeem some of their indebtedness. After the emergency, borrowing is increased to provide for needed improvements which could not be made during the emergency period. At present, State and local borrowing is primarily for schools and highways.

In 1953, the total governmental debt in the United States was approximately \$300 billion, or about \$1890 per capita—that is, theoretically, every man, woman, and child in this country owed this amount of the public debt. The carrying charge—interest payment—on this debt amounted to about \$7 billion.

## QUESTIONS

1. Demonstrate the wide scope of finances at the three levels of government.
2. If the main purpose of taxation is to raise revenue, what reasons can be given in favor of a tax to regulate or control?
3. Explain the two methods by which the tax burden may be allocated.
4. What is the difference between proportional and progressive tax rates? How may a tax rate be regressive in nature?
5. Illustrate forward, backward, and diffused shifting of taxes.
6. What are the principal sources of tax revenue for each level of government?
7. What are the three principles that have been followed in applying the income tax in recent years?

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In the preceding chapter, we considered the fiscal operations of the government. During the last decade or two, considerable interest has developed in the impact of governmental fiscal operations on the national economy. This interest has led to examination of the national economy by analysis of data<sup>1</sup> about the national income and by determination of the influence of government on the level of national income.

The national economy is affected by the monetary system of the country and by the controls which government exercises over that system. In this chapter, therefore, we shall consider the measurement and determination of national income, the monetary system of our country, and the fiscal and monetary policies of the government as they may influence the economy of our nation.

## NATIONAL INCOME

### *Measurement of National Income*

There are two ways of measuring national income<sup>2</sup>: (1) by the total income earned in a year by the owners of the factors of production (land, labor, capital) and (2) by the total value of all goods and services produced in any year. Although these two ways are different, they amount essentially to looking at the same thing from two directions.

<sup>1</sup> These data are supplied periodically by the Department of Commerce of the national government and the National Bureau of Economic Research, a nonprofit organization. The same data are conveniently presented in each month's issue of the *Federal Reserve Bulletin*.

<sup>2</sup> National income as considered in this chapter is a dollar measure and not a measure of real income—that is, a measure of the purchasing power of the dollar.

Figure 13 shows that there is a flow of money going from business to persons to pay for services and resources, and a flow of money (spending) from persons to business for goods and services. As these two flows of money are equal, we can measure national income by the upper flow (income earned by persons) or by the lower flow (the amount of spending by consumers). Both flows of money are the same.

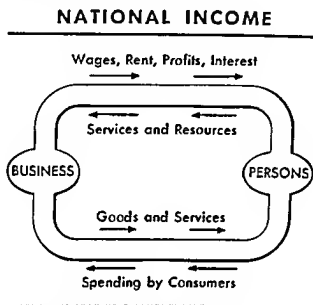


Figure 13

The total income earned in a year—the upper flow—consists of wages, salaries, and other compensation to employees; rental income and that of proprietors (unincorporated businesses and professionals, such as single proprietors, lawyers, and doctors); corporation profits; and interest received from securities and other loans.

TABLE 11. National Income, by Distributive Shares (Selected Years)

	(in billions of dollars)				
	1929	1933	1941	1949	1953
National income	\$87.4	\$39.6	\$103.8	\$210.3	\$306.4
Compensation of employees	50.8	29.3	64.3	139.9	207.6
Proprietors' and rental income	19.7	7.2	20.8	42.1	49.0
Corporate profits	10.3	-2.0	14.0	20.2	41.1
Net interest	6.5	5.0	4.1	5.0	7.8

(Note: Details may not add to totals because of rounding.)

The total value of all goods and services produced in any year—the lower flow of money in Figure 13—is called Gross National Product (GNP). This way of looking at national income is from the point of view of spending, not earning. The total expenditures of the nation for goods and services may be divided into four broad categories: (1) personal-consumption expenditures; (2) gross private domestic investment—expenditures of individuals and private organizations, mostly business enterprises, for such capital goods as new buildings, machinery, and equipment; (3) net foreign investment—the net balance of payments between the United States and other countries (if it is positive, we have sold abroad goods and services in excess of our purchases abroad; if it is negative, we have sold less than we have purchased from other countries); and (4) governmental purchases of goods and services—expenditures of government for goods and services of business enterprises and for services of governmental workers and military personnel.

TABLE 12. Gross National Product or Expenditure (Selected Years)

	<i>(in billions of dollars)</i>				
	<u>1929</u>	<u>1933</u>	<u>1941</u>	<u>1949</u>	<u>1953</u>
Gross national product	\$103.8	\$55.8	\$128.4	\$258.2	\$387.2
Personal consumption expenditures	78.8	46.3	82.3	180.8	229.8
Gross private domestic investment	15.8	1.3	18.3	33.5	54.4
Net foreign investment	.8	.2	1.1	.5	-1.9
Government purchases	8.5	8.0	24.7	43.6	84.9
National	1.3	2.0	16.9	25.4	59.7
State and local	7.2	5.9	7.8	18.2	25.2

(Note: Details may not add to totals because of rounding.)

Source: *Federal Reserve Bulletin*, June, 1954, p. 653.

During a period of time, the total expenditures (GNP) measure the gross national output of goods and services for the people of the nation. That is, the spending for goods and services creates money income, and the total money received during any period of time is equal to the amount of spending for output of goods and services. National income analysts warn us, however, that GNP is not a correct estimate of actual national income, because in a dynamic economy, capital goods must be replaced—that is, they wear

out and become outdated—and allowance must be made for depreciation and obsolescence. Therefore, estimates are made for capital-consumption allowances. When these allowances are accounted for, the actual production for the year may be estimated, and the result is called Net National Product (NNP).

The national income analysts point out also that a difficulty of measurement arises because of certain governmental taxes, particularly indirect business taxes,<sup>3</sup> such as sales taxes, customs, and excise taxes. These taxes are included in sale prices of goods and hence are included in GNP, but as people pay these taxes, they are not spending for output of goods (and these taxes do not show up in national income measured by income earned) but are contributing to governmental revenue. The most important difference between the estimate of NNP and national income is the amount of indirect business taxes. The deduction of this item, and other minor items shown in Table 13, results in national income equal to the earned national income as shown in Table 11. Referring back to Figure 13, after the allowances and deductions stated above are made, the upper flow of money (national income measured by earnings) equals the lower flow of money (national income measured by spending or the value of goods and services produced).

In our examination of national income, the items of government expenditures and indirect taxes are seen to be sizable items. For example, Table 12 shows government purchases (expenditures) to be \$84.9 billion in 1953; in Table 13 indirect business taxes for 1953 are \$30 billion. These two items do not show the entire amount of fiscal operations of government which affect national income. In addition to indirect business taxes, government collects personal taxes, corporate profits taxes, and social insurance taxes. When the amounts paid back to the people by government in the form of social insurance benefits, interest on the debt, and subsidies are deducted from the total taxes collected, the total net taxes for 1953 were \$81.2 billion.<sup>4</sup> The importance of governmental fiscal operations is seen in that, of a GNP of \$367.2 billion, government purchases amounted to \$84.9 billion, or 23 per cent; and total taxes were \$81.2 billion, or 22 per cent. Later in the chapter we shall refer again to the influence of the fiscal operations of the government on the national economy.

<sup>3</sup> Since 1947, government statisticians have arbitrarily included in national income all personal taxes, such as income, payroll, and property taxes, and corporation income taxes, but have excluded indirect business taxes.

<sup>4</sup> *Federal Reserve Bulletin*, June, 1954, p. 652.

TABLE 13. *Relation of Gross National Product and National Income (Selected Years)*

	<i>(in billions of dollars)</i>				
	1929	1933	1941	1949	1953
Gross national product	\$103.8	\$55.8	\$126.4	\$258.2	\$367.2
Less: Capital consumption allowances	8.8	7.2	9.3	19.4	29.3
Equals: Net national product	95.0	48.6	117.1	238.8	337.9
Less: Indirect business taxes and related liabilities	7.0	7.1	11.3	21.6	30.0
Business transfer payments	.6	.7	.5	.8	.9
Statistical discrepancy	-.1	1.2	1.6	.2	.5
Plus: Subsidies less current surplus of governmental enterprise	-.1	(a)	.1	.0	-1
Equals: National income	87.4	39.6	103.6	216.3	306.4
<i>(Note: Details may not add to totals because of rounding.)</i>					

(a) Less than 50 million dollars.

*Source: Federal Reserve Bulletin, June, 1954, p. 652.*

### *Determination of National Income*

In the preceding section, we have seen how national income is measured; now we shall consider what determines the level of national income and why it fluctuates.

**SAVING AND INVESTMENT** Referring to Table 12 above, we see that the largest item of expenditure is for personal consumption of goods and services. The amount of spending by persons for goods and services depends, of course, upon their income and the amount of their borrowing. But some consumers do not spend all their incomes. The part not spent is saved. In 1953, personal savings amounted to about \$18.1 billion. Most savings are put in such institutions as banks and insurance companies, which make loans to businessmen when business activity is brisk and buy bonds and maintain large reserves when business activity is slow.

The loans extended to businessmen are used to invest in capital goods, such as factories and equipment. As indicated in Table 12, the total amount of domestic investment in 1953 was \$54.4 billion. This was the amount of money used to increase capital formation, which means in reality increasing the capacity to produce. The

amount of investment fluctuates with business conditions—in 1933, at the time of the depression, investments amounted to only \$1.3 billion, but since then they have steadily increased (see Table 12).

In order to produce capital goods, people must refrain from spending all their income on consumer goods. Most saving is done by the rich; in general, the poor must spend all their income to maintain their standard of living. Those who save do so for various reasons—for example, to set aside funds for a “rainy day,” or for educating their children, or for retirement, or because they are in the habit of saving. On the other hand, businessmen invest to make more money. If opportunities seem favorable, they will invest heavily; if opportunities seem unfavorable, they will refrain from investing. Because the motives of savers and investors are different, it is possible for persons to want to save more than businessmen are willing to invest, and for businessmen to be willing to invest more than persons are willing to save. Since savings and investments are made by different persons, the important question is that of the relation between saving and investment and how this relation determines the level of national income.

Modern economists say that saving and investment tend to come into balance or “equilibrium”—that is, changes in either saving or investment are brought into line by changes in the national income. If people try to save more than is invested, they reduce their spending for consumption and investment, and hence spending is less than the cost of the national output of goods and services. In such circumstances, businessmen are unable to sell all the goods and services produced at the existing level of production, and they reduce production and lay off workers. When the total earnings of workers are reduced, national income falls. Saving decreases and tends to decline until it equals investment. When this condition is reached, income does not have to fall any farther, and additional workers do not need to be discharged.

On the other hand, if businessmen are willing to invest more than people are saving, the spending for consumption and investment is greater than the costs of the total output of goods and services. Profits are great, and businessmen hire more workers to produce more goods and services to meet the demand. This condition causes national income to rise, and it continues to rise until saving and investment tend to balance.

In this theory of the equilibrium level of national income, investment is the important factor. It causes income to rise or fall until

saving has made the adjustment to the point or level of maintaining investment where the upper flow of money (earned income), as shown in Figure 13, is equal to the lower flow of money (spending).

**CONSUMPTION AND INVESTMENT** Another way of determining the national income is to consider it from the point of view of whether the total spending on consumption and investment is as large as the total costs of the national output of goods and services. If total spending is less than total cost, investment will decline, production will be stepped up, earnings will be greater, and hence national income will rise. If total spending equals total cost, an equilibrium level of national income and employment will exist. When this condition prevails, business is getting back an amount to continue producing at that level of output.

In fact, this consumption-and-investment way of looking at national income results in the same level of national income as the saving-and-investment approach. In both instances, investment is the key to whether national income will rise or fall.

**NATIONAL INCOME MULTIPLIER** Consumer habits of spending are not likely to change so rapidly that they will start an increase in national income. An increase in spending by consumers depends mostly upon increases in earned income that result from rises in investment. If the national income is fed by income payments arising from investment, the level of national income rises more than the amount of the added investment. Similarly, a continuous decrease in the income payments to workers causes a decrease in the level of national income by more than the amount of decrease in investment. That an increase or decrease in national income will result in a greater or lesser amount than an increase or decrease in investment is due to what is called the *multiplier*.

If an increase of investment or of government spending of \$500,000 causes an increase in national income of \$2,000,000, then the multiplier is 4. If the increase in national income is \$1,500,000, the multiplier is 3; if the increase is \$1,000,000, the multiplier is 2. For example, when a businessman invests \$500,000 in the construction of a new plant, carpenters, masons, suppliers, and others will receive the \$500,000, which will be extra income to them. They, in turn, will spend part of this income for consumption purposes. If we assume that they save one-fourth of it and spend three-fourths, they will spend \$375,000 on new consumption goods. The produc-

ers of these goods, in turn, will have an extra income of \$375,000, of which they may spend three-fourths, or \$206,250. Those who receive the \$206,250 will spend \$154,687.50, and so on. A whole series of rounds of spending will go on, so that if the example is worked out to the ultimate end, the original investment of \$500,000 and the series of rounds of spending resulting from it will add \$2,000,000 to the national income; the multiplier then is 4. In the same way, a reduction in investment may reduce the national income by more than the amount of the reduced investment.

**EFFECTS OF GOVERNMENTAL FISCAL OPERATIONS ON NATIONAL INCOME** The same situation may prevail if government invests in buildings, public works, or other enterprises. Sometimes when the government does spend money in this manner, particularly in times of depression, it is often referred to as "pump priming"—that is, government spending primes the "economic pump" by stimulating private business activity as well as by government spending itself, and the increase in national income will be indicated by a multiplier.

Government spending for goods and services to meet regular needs also influences national income. We have seen that government spending in 1953 amounted to 23 per cent of the national output. When government spends the revenue received from taxes, an increase in total spending occurs. In particular, if government expenditures are for capital goods, the effect is the same as an increase in private investment, and the result is a rise in the level of national income.

A heavy taxing program of government also affects national income. In 1953, total taxes amounted to 22 per cent of the NNP. If government spends what citizens would have spent in addition to what they would have saved, the total amount of spending increases and savings decrease. The effect is the same as when the savings are invested in private production, and the equilibrium level of national income is higher, just as when savings are equal to investments. This result is particularly likely in the case of personal taxes collected from the taxpayers. Accordingly, when government engages in a large-scale taxing and spending program, the effect is an increase in national income.

Government may influence the level of national income in another way. When government revenue and expenditures are not



equal—that is, when deficits or surpluses exist—the level of national income is affected the same as if there were changes in private investment. Suppose that an equilibrium level of national income exists and that government spending is greater than revenue received from taxes. The result of the added spending is an increase in the national income. The amount of deficit is borrowed from individuals and banks. The amount borrowed from individuals serves in the same way as individual savings invested in private productive enterprises. The amount borrowed from banks enables those banks to increase their reserves by using the government securities; and by increasing reserves, banks can increase their loans to customers, thereby increasing their demand deposits. (This process will be explained in the following section of this chapter.) The effect of government deficit spending is similar to that of increasing private investment until such time that savings increase at the higher income level to offset government deficit spending. In this case, the multiplier is a deficit-spending multiplier instead of an investment multiplier.

On the other hand, if government spending is less than government revenue—that is, if taxation takes money out of circulation and government does not spend all of it—the effect upon national income is the same as that resulting from a decrease in private investment: the level of national income drops.

By its taxing and spending program, government causes the volume of private consumption and investment to be different from that which would prevail if it did not exert the influence on national income that it does. In other words, a government deficit-spending program tends to increase the national income—that is, to be inflationary in nature—and a government surplus tends to decrease the national income—that is, to be deflationary in nature. In brief, when government carries on a large-scale taxing and spending program, what the level of national income tends to be depends upon the combination of savings plus taxes and investment plus government spending.

Government's fiscal operations may not always produce the results indicated above because of counterbalancing reactions. If government spending creates an attitude unfavorable to private investment—for example, if government enters areas of production so extensively that private enterprise is discouraged from doing so—there is an offset to the stimulus of government spending. Further-

more, certain kinds of taxes, such as excess-profits taxes, may discourage private enterprise, and the result may be reduced private investment, which tends to offset government spending. Thus policy-makers need to determine not only the social and economic objectives of the fiscal program but also the ways and means of implementing the program to advance the general welfare of the nation.

**SUMMARY** In summarizing the determinants of national income, we see that an equilibrium level of national income tends to exist. This condition may be put in the form of an equation: consumption plus savings plus taxes equals consumption plus investment plus government spending. If we leave government out of consideration for a moment, we see that consumption spending is equal to the cost of producing consumers' goods and that savings tend to equal investments. When the government taxing and spending program is brought into consideration and government spends what it receives in tax revenue, taxes tend to serve the same function as savings, and government spending tends to serve the same function as private investment.

At any given level of national income, an increase in investment and in government spending will increase the level of national income, and, conversely, a decrease in investment (which may result when savings exceed investments) and in government spending (which may result when government spending is less than tax revenue) will decrease the level of national income.

An examination of the items making up the national income and their changes from year to year helps to explain much about the condition of the national economy. An examination of the items in any given level of national income will show whether the economy is experiencing prosperity or depression. The goal is to maintain a high level of national income aiming toward full employment. Since the fiscal operations of government play an important role in the striving toward this goal, government fiscal policies are significant. Before we consider these policies, it will be necessary to describe the monetary system of the country, because it too affects the national economy. Governmental monetary policies also influence the national economy. The last section of the chapter is reserved for a consideration of fiscal and monetary policies.

## MONETARY SYSTEM OF THE UNITED STATES

In the preceding section of this chapter, as well as in much of the previous material of this book, we have often used the term *money*, but we have not explained the role money plays in fulfilling certain functions in society. Almost every society has a monetary system—that is, a system in which money is used to facilitate the transaction of business, particularly the exchange of goods and services.

*Functions of Money*

One function of money is to serve as a *standard of value*. All exchange values can be expressed in monetary terms. The reader probably knows the prices of many goods and services—for example, a hat costs \$10.00, a suit, \$75.00; a shoe shine is 25 cents, a hair cut, \$1.00. All of us frequently make such measurements of value. Without money it would be difficult to estimate these values, and exchange would be cumbersome and slow.

Money serves also as a *medium of exchange*. A person can sell for money and buy what he wants with money. By the use of money, he can better satisfy his wants, since he need not wait until a direct exchange of specific goods can be arranged.

In addition, money serves as a *store of value*. A person may save money knowing that it is usable at any time—for example, students may pay for their education with money saved long before they entered college.

A final function of money is to serve as a *standard of deferred payments*: a person can judge what he will receive or owe in the future. If he buys for \$500 a bond which will mature in ten years, he knows that he will receive not only interest each year but also \$500 at the end of ten years. If a person mortgages his house, he knows that he will have to pay the amount (and interest) of the mortgage in the future.

*Relation of Money to Price Levels*

If money is to perform effectively the last two functions—store of value and standard of deferred payments—its value must remain stable over a comparatively long period of time. The value of money is determined by its purchasing power—that is, the amount of any good or service which a unit will purchase. In turn, purchasing power is measured by price—the amount of money given in exchange for a unit of a good or a particular service. As we have noted

in Chapter 12, Volume I, where we discussed the price mechanism, price is determined in large measure by the supply of and demand for a good. Since demand is measured by the amount of money people are willing to pay for a good, price then depends upon the relationship between the supply of goods available in the market and the volume of spending. In turn, volume of spending depends upon the amount of money available and the rapidity of circulation of money. (By rapidity of circulation is meant the average number of times a unit of money is spent in a given time.) A definite relationship exists between the amount and circulation of money and price levels. For example, if the amount and circulation of money were increased without an increase in the supply of goods, price levels would rise, which means that the value of money would decrease. On the other hand, if the amount and circulation of money were reduced and the supply of goods should remain the same, price levels would decline, which means that the value of money would increase.

Changing price levels—that is, changes in the value of money—have important consequences. First, there is a redistribution of real income (purchasing power). Persons whose dollar incomes are relatively fixed by such resources as pensions, interest, and annuities gain in real income when price levels drop, and lose in real income when price levels rise. Persons whose money income comes from such flexible sources as profits of business enterprise lose purchasing power when price levels decline and gain when prices rise. A second consequence of price changes is the redistribution of wealth. Debtors gain when price levels increase and lose when prices decline, whereas creditors lose in periods of rising prices and gain in periods of declining prices. Because fluctuations in price levels affect the entire economy and well-being of society, the monetary system of the nation and the government's monetary policies are of considerable importance to the general welfare.

### *Types of Money*

In the United States, the standard of value, the gold dollar, is not used as a medium of exchange. The gold is kept locked up,<sup>5</sup> and

<sup>5</sup> In 1933, the national government called in all gold (except that in jewelry, dental fillings, and similar forms) and gold coins when Congress raised the price of gold from \$20.67 to \$35.00 an ounce to prevent the holders of gold from making a 67 per cent profit as a result of the devaluation of the dollar. Since that time, the government has bought almost all gold mined and imported to prevent hoarding and to use it as backing for substitute money. Therefore, the government owns most of the gold in the country and keeps it stored in its own vaults.

substitutes, whose value is based upon the *faith* of the people that gold could be used as a medium if necessary, expedite trade and commerce as well as if gold alone were used.

Gold and the substitutes used as media of exchange are all considered money in the United States. In addition, demand deposits in banks are considered money, and most of the business transactions in dollar value are carried on by writing checks against bank deposits.

TABLE 14. Types of Money in Circulation in the United States<sup>(\*)</sup>, December 31, 1953

		(in millions)
TYPES OF MONEY		AMOUNT
Gold certificates		\$ 36
Federal reserve notes		26,253
Treasury currency—total		4,492
Standard silver dollars	\$ 210	
Silver certificates and treasury notes of 1890	2,101	
Subsidiary silver coins	1,179	
Minor coins	424	
United States notes	316	
Federal reserve bank notes	190	
National bank notes	72	
Total		30,781
Demand deposits subject to check		102,451
Total money supply		\$133,232

(\*) Outside Treasury and Federal Reserve Banks. Includes any paper currency held outside the continental limits of the United States.

Sources: *Federal Reserve Bulletin*, February, 1954, p. 159 for types of money; *Ibid.*, May, 1954, p. 476 for demand deposits.

The above tabulation shows that the forms of money in circulation in the greatest amounts are demand deposits subject to check (\$102 billion, or about 77 per cent) and Federal Reserve Notes (\$26 billion, or about 19 per cent); the two together make up about 96 per cent of all money in circulation. An outstanding feature of these two forms of money is that they are not issued by the government of the United States but represent bank credit, which represents debt. An examination of the operations of the banking system will enable us to understand how such money comes into existence and how the amount of money in circulation, and therefore its value, may be controlled.

### *Monetary Control through the Federal Reserve System*

The Constitution of the United States gives Congress sweeping powers over monetary affairs. The most pertinent of these provisions are: (1) "The Congress shall have power . . . to coin money, regulate the value thereof, and of foreign coin . . ." and (2) "No State . . . shall coin money; emit bills of credit; make anything but gold and silver coin a tender in payment of debts . . ." Congress, therefore, has complete control over money. It is through the regulation of the banking system that Congress implements most of its monetary controls.

**ORGANIZATION OF THE FEDERAL RESERVE SYSTEM** The Federal Reserve System was established by act of Congress in 1913 as one of

#### THE FEDERAL RESERVE SYSTEM

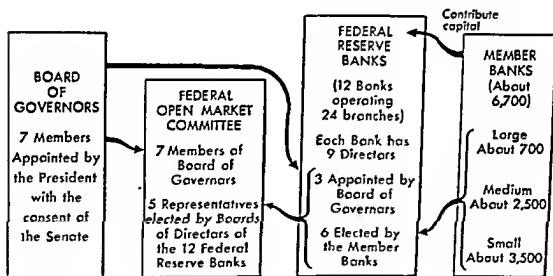


Figure 14

the reforms of the New Freedom era referred to in Chapter 10. The original act and subsequent amendments have made possible close governmental supervision of both the banking system and monetary conditions in the United States.

The principal organizational structure of the Federal Reserve System consists of the member banks, the twelve Federal Reserve Banks, and the Board of Governors. All national banks—that is, those banks chartered by the national government—are required

to be members of the Federal Reserve System. State-chartered banks are not required to become members, but they may join the System if they comply with the requirements for membership. The present membership of the Federal Reserve System includes only about 50 per cent of all commercial banks in the United States, but these member banks carry approximately 85 per cent of all commercial bank deposits. A member bank must submit to supervision and examination by Federal Reserve authorities, must take out insurance from the Federal Deposit Insurance Corporation, must hold stock in

### FEDERAL RESERVE DISTRICTS

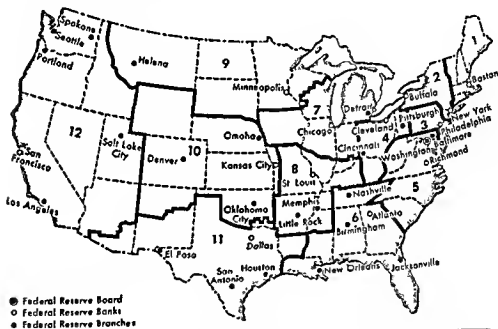


Figure 15. (Adapted from Baldwin, *The Stream of American History*, American Book Co., 1953)

the Federal Reserve Bank of its district, and must hold its legal reserves in the form of deposits in the Federal Reserve Bank of its district. In return, the member bank may borrow from the Reserve Bank and use its facilities in other ways in conducting banking business.

The United States is divided into twelve districts, with a Federal Reserve Bank located in each district. The cities in which Federal Reserve Banks are located are Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, Minneapolis, Dallas, and San Francisco. Federal Reserve Banks are

"bankers' banks"—that is, they do not carry on business with the general public but deal with their member banks. Each Federal Reserve Bank is owned by the member banks of the district, since each member bank is required to buy stock of its Reserve Bank equal to 3 per cent of its own paid-in capital and surplus. Out of the earnings of the Reserve Bank, an annual dividend, not to exceed 6 per cent, is paid to member banks on their stockholdings. Practically all of the remainder of the earnings of Reserve Banks is channeled into the United States Treasury. Each Federal Reserve Bank has a board of directors of nine members, six selected by the member banks of the district and three appointed by the Board of Governors of the Federal Reserve System.

The Board of Governors, consisting of seven members appointed by the President with the consent of the Senate, has broad regulatory and supervisory powers over the Federal Reserve System. No more than one member may be appointed from any one Reserve district, and each appointee serves for fourteen years and is ineligible for reappointment. The term of one member expires every two years; thus the Board is a continuous group.

**FUNCTIONS OF THE FEDERAL RESERVE SYSTEM** The functions of the Federal Reserve System may be divided into two broad groups or divisions. First, the System helps the operations of the banking system of the country by its clearing-house or check-collection process, and it serves as the banker for the national government. The clearing of checks is the procedure by which this type of credit instrument gets back to the member banks upon which the checks are drawn, so that the amount may be deducted from the check writer's account. After the amounts different banks owe other banks are determined, if the total amount of checks drawn on Bank X is larger than the total amount of checks this bank has accepted from other banks, Bank X then will have its account in its Federal Reserve Bank reduced by the amount of the difference. As banker for the national government, the Federal Reserve Banks receive governmental receipts, transfer government funds from the collector of internal revenue and customs offices to the United States Treasury, make government payments, and carry on other governmental business transactions.

Second, the System controls and makes available the reserve funds of the member banks. This is the major function of the Federal Reserve System. By various means, the supply of money is



made elastic to meet varying needs of the country; and through the control of the supply of money, the stability of the economy may be promoted. It is these means that we shall now consider.

In the control of the reserve funds of the member banks, policies dealing with bank credit are centralized. Federal Reserve Banks hold the legal reserves of the member banks—a function related closely to commercial-banking practices. A commercial bank earns money by making loans to its customers and by buying interest-bearing securities. Deposits of a bank are of two kinds—time deposits (savings accounts) and demand deposits (checking accounts). That portion of total deposits that a bank must hold on hand is called reserves. *Primary reserves* consist of the amount of money that a banker decides he should keep on hand to meet the daily demands of the bank, usually from 2 to 5 per cent of the total deposits. Each member bank of the Reserve System is required to hold a specified percentage of its total deposits as *legal reserves*, and this amount of money is deposited with the Federal Reserve Bank.

The rates of the legal reserves of member banks are determined by the Board of Governors and vary with the location of the banks<sup>6</sup>—for example, in June, 1954, the rate for demand deposits was set at 21 per cent for central reserve-city banks (only those in New York and Chicago), 18 per cent for reserve-city banks (those in the twelve cities where the Reserve Banks are located), and 12 per cent for country banks (all those banks not in the above locations). In addition, a legal reserve rate is determined for time deposits—usually the same for all banks. In June, 1954, the rate was set at 5 per cent. By the Federal Reserve Banks' holding the legal reserves of member banks, the banking reserves of the nation are centralized and can be made available as the need for bank credit arises in any part of the country.

The twelve Federal Reserve Banks are also required to have reserves back of their deposits, which include member-bank reserves and deposits of the national government. Furthermore, Reserve Banks are required to maintain reserves against Federal Reserve Notes which are outstanding. The rate of reserves for deposits is 25 per cent in gold certificates, issued to the Federal Reserve Banks

<sup>6</sup> The size of banks is defined according to the cities in which they are located. The requirement of larger reserves for central reserve-city banks and reserve-city banks is a holdover from the time prior to the Federal Reserve System when banks held part of their reserves as deposits in banks of large cities—that is, in the more important cities of finance and business.

by the United States Treasury. Federal Reserve Notes must also be backed by at least 25 per cent in gold certificates, which are backed 100 per cent by gold held by the government. The realization that there are reserves backed by actual gold no doubt contributes to the faith the people have in the monetary system of the United States.

Federal Reserve Notes must be backed 100 per cent of their face value. Some Federal Reserve Notes are backed 100 per cent by gold certificates; others are backed by a 25 per cent reserve in gold certificates, with the balance in commercial paper (promissory notes, bills of exchange, and so forth) and government securities. The backing other than gold certificates represents debts; consequently, when commercial paper is limited in amount, fewer Federal Reserve Notes will be issued than when commercial paper is more abundant. That is to say, when member banks do not make loans to their customers or do not borrow directly from Reserve Banks, fewer Federal Reserve Notes will be in circulation than when bank loans are made extensively or when banks borrow from the Reserve Banks.

The connection between Federal Reserve Notes and commercial bank paper is related to another way in which reserve funds of member banks may be controlled by the Federal Reserve System. Federal Reserve Banks may buy commercial paper of the customers to whom the member banks have lent money. This process is called *rediscounting*. The following is an example of rediscounting: John Smith borrows \$1000 at 5 per cent interest for 6 months from his bank, a member of the Federal Reserve System. The bank deducts the interest charge at the time the loan is made—that is, discounts the note. This amount is \$25.00; hence, Smith receives \$975. The bank then sells the note to its Reserve Bank and the process of discounting is repeated; hence, it is called rediscounting. In this case the rediscount rate is established by the Board of Governors and is not so high as the member bank's discount rate, generally being 1 to 2 per cent. The practice of rediscounting customers' commercial paper generally has not been used since 1929, although it is still possible to use it. Since 1929, when member banks need to borrow, they give their own promissory notes to the Reserve Banks, receiving credit for the amount of the note minus the discount rate of the Reserve Banks. Commercial paper, in the form either of loans made by member banks to their customers or of promissory notes of the member banks, may be used to back Federal Reserve Notes and to build up the reserves of the member banks in the Federal Reserve Banks.

**CONTROL OF THE SUPPLY OF MONEY** The regulation of reserve requirements of member banks and of Federal Reserve Banks is one of the important controls over the supply of money. A member bank can expand its loan transactions, and therefore the amount of money in circulation, by the creation of new demand deposits as long as it can back these demand deposits by the necessary reserves deposited with its Reserve Bank. For example, a member bank in San Francisco, a reserve-city bank, has a legal reserve rate of 18 per cent, and the amount of its legal reserves is \$3,600,000. It may then have a maximum of \$20 million in demand deposits (\$3,600,000 being 18 per cent of \$20 million). This example shows how the ability of the banking system to expand the supply of money is controlled by the legal reserve requirements.

The operations of any one of the twelve Federal Reserve Banks are similar to those of a member bank. The Federal Reserve Bank is required to hold as legal reserve a percentage of its deposits in gold certificates—at present the rate is 25 per cent. A loan transaction between a member bank and a Federal Reserve Bank can create demand deposits in the member bank. For example, the Federal Reserve Bank in San Francisco lends \$180,000 on a promissory note to a member bank in that city, which, we assume, has its demand deposits covered by its legal reserves. In making this loan, actual cash does not change hands; the account of the member bank at the Reserve Bank is credited with \$180,000. In order to make this loan, the Reserve Bank must have \$45,000 in gold certificates on hand as legal reserve for the \$180,000 increase in its deposits. The increase in the account of the member bank at the Reserve Bank gives it excess reserves in the amount of \$180,000, since it already had its customers' deposits covered by adequate legal reserves. If the member bank's legal reserve rate were 18 per cent, it could increase its demand deposits by \$1 million (\$180,000 being 18 per cent of \$1 million). Consequently, \$45,000 in gold certificates at the Reserve Bank can allow the creation of \$1 million in demand deposits at a member bank when the reserve rate is 18 per cent. From such a transaction, the actual money supply may be increased by \$1 million. This example shows that the maximum amount the *entire banking system* can expand money and credit is determined by the quantity of gold certificates held by the Federal Reserve Banks.

Previously we have seen how a member bank may sell its commercial paper to its Federal Reserve Bank through the rediscounting process and that the rediscount rate is lower than the rate of

interest the member bank charges its customer. In the above example, of course, the member bank must pay interest on the loan received from the San Francisco Reserve Bank. This rate of interest is the same as the rediscount rate—usually 1 to 2 per cent. By determining the legal reserve rates and the rediscount rate, the Board of Governors can exercise considerable control over the credit transactions of the banking system. In effect, by the use of this authority, the Board of Governors can control the expansion of the amount of money in circulation. By raising the legal reserve rates and the rediscount rate, the banks will be discouraged from engaging in credit transactions, because their ability to make loans will be restricted. That is, if the legal reserve rate is increased, banks will have to deposit more money in their accounts at the Federal Reserve Banks.

Theoretically, the Board of Governors may encourage expansion of the money supply by lowering the legal reserve rates and the rediscount rate. Such a move should encourage banks to increase their credit transactions and hence expand the supply of money. This expansion, however, actually will not take place unless commercial banks feel reasonably optimistic about economic conditions—at least to the point where they are willing to make additional loans. If commercial banks were trying to protect their business soundness, expansion would not take place even if legal reserve requirements were removed entirely. Consequently, the Board of Governors has the controls necessary to contract the money supply but not to increase it.

Another means available to the Board of Governors for controlling the supply of money is by determining the backing of Federal Reserve Notes. We have seen that these notes are backed by gold certificates, commercial paper, and government securities. If the present requirement of 25 per cent in gold certificates should be increased, fewer Federal Reserve Notes would be issued by the Federal Reserve Banks, because the supply of gold certificates depends upon the amount of gold held as reserve for the certificates. In addition, if the rediscount rate were increased, the amount of commercial paper available for backing Federal Reserve Notes would be diminished. As a result, fewer Federal Reserve Notes would be placed in circulation. Conversely, by lowering the requirements to less than 25 per cent of gold certificates and by lowering the rediscount rate, theoretically the money supply would be increased by the issuance of more Federal Reserve Notes. As

stated above, this expansion would depend, however, upon general economic conditions and the willingness of commercial banks to extend their credit transactions.

The Federal Reserve System possesses another means of controlling the supply of money—open-market operations (purchase and sale of government securities directly in the market). These operations are supervised by the Open-Market Committee, which is composed of the members of the Board of Governors and five others who represent the Reserve Banks and who are elected annually by the boards of directors of the Reserve Banks. The Committee directs the Federal Reserve Banks to buy or sell notes and bonds of the United States government. By dealing in the obligations of the national government, the Reserve Banks influence the amount of money available for business purposes at any time. If more money is needed, the Open-Market Committee will direct the Reserve Banks to buy government securities in the open market, thereby putting more money in circulation for business transactions. If the amount of money in circulation is to be checked or contracted, the Committee will direct the Reserve Banks to sell government securities, thereby taking money out of business channels. Reserve Banks can neither engage in open-market operations nor decline to engage in such operations, except in accordance with the regulations formulated by the Open-Market Committee.

The monetary controls existing in the Federal Reserve System make it possible for the national government to influence the economic life of the nation. Some people believe that, by the application of governmental power through these controls, democratic procedures are jeopardized and economic freedom cannot exist. The interdependence of the many parts of the national economy, however, makes it necessary for the government to adopt policies for the national economy to work smoothly and for the economic goals of society to be attained as nearly as possible. Accordingly, the fiscal and monetary policies of the government and their effects on economic stability merit our attention.

## FISCAL AND MONETARY POLICIES AND ECONOMIC STABILITY

In this and the preceding chapters, we have described primarily the fiscal operations (public finance) of government and the monetary system of our nation. We shall now give attention to the pol-

icies which government may use in conducting its financial and monetary programs and to how these policies may influence economic stability. To be clear in our understanding of what is involved, we shall define fiscal policy as the way government raises revenue, spends money, and manages the debt to attain certain goals. Monetary policy may be defined as the use of regulations and controls over the monetary system to control the supply of money so as to attain certain goals.

The broad goal of both fiscal and monetary policies is economic stability. This goal must not be thought of as one of maintaining the economy at a level existing at any given time. The major objective is to strive for a high level of national income and full employment of labor and resources. In attaining this objective, there is an attempt to avoid the sharp fluctuations of the business cycle by the use of governmental fiscal and monetary power.

The impact of governmental fiscal operations on the national economy has been referred to above, in connection with our examination of national income. In 1953, government spending accounted for \$84.9 billion out of a GNP of \$367.2 billion, or 23 per cent of the total output of the nation; and during the same year total taxes took \$81.2 billion. "Federal operations are now so large a factor in our economy that their variations, whether on the revenue or expenditure side, are bound to have a significant impact on our economy."<sup>1</sup> Because governmental fiscal operations are such important factors in influencing the national economy, many people believe that the relation of these policies to production and employment is important in the social and economic welfare of the people.

The use of governmental power over the monetary system of the country also has an impact on the national economy. By the use of controls through the Federal Reserve System, the supply of money may be expanded or restricted; this in turn affects price levels, which in turn affect the value of money, or purchasing power of individual incomes, and the total national income. Since both fiscal and monetary policies have the same fundamental objective—high level of national income and full employment—the implementation of these policies by government is correlated and synchronized.

The effects of governmental policy upon the economy were rec-

<sup>1</sup> *The Economic Report of the President to Congress, January 29, 1954* (Washington, D.C.: Government Printing Office, 1954), p. 52.

ognized in the passage of the Employment Act of 1946. By this Act, the government accepted responsibility to aid "... in creating and maintaining ... conditions under which there will be afforded useful employment opportunities ... for those able, willing, and seeking work; and to promote maximum employment, production, and purchasing power." A Council of Economic Advisers (considered in Chapter 3) of three persons was established by the Act to consider all national governmental activities that influence employment and production. The Council advises the President, makes recommendations to Congress, and issues annual reports. Though it has no means of putting into effect proposals which it considers desirable to offset forces leading to a depression or to an inflationary boom, the Council exerts considerable influence on governmental policy and thus on the national economy.

Passage of the Employment Act of 1946 reflects the public attitude toward the role of government in influencing the national economy. The depression of the 1930's and conditions during World War II contributed to the support of public sentiment for the idea that the national government is responsible for providing in a free-enterprise economy conditions necessary for full employment and a high national income without the extreme effects of deflation and inflation. Those persons who advocate an active role by government point to the means that government has at its disposal to achieve relative stability in a national economy of full employment and a high level of national income.

### *Governmental Policies to Achieve Economic Stability*

**FISCAL POLICY** As part of a fiscal policy of stabilizing the economy, the advocates of the use of governmental authority recommend a reduction in taxes and an increase in governmental expenditures during periods of declining national income, and an increase in taxes and reduction in governmental expenditures when national income is approaching a full-employment level and there is danger of inflation. By decreasing taxes, people will have more money to spend; this will increase the demand for goods and services, stimulate investment and production, and increase employment. When economic conditions approach full employment and there is danger of inflation, an increase in taxes will "drain off" some of the spending power, with a consequent reduction in investment and production; this will relieve some of the pressure on prices.

On the other hand, a condition of declining national spending for

output of goods and services (GNP), calls for increased governmental spending for buildings, roads, and other projects to help stimulate business production and employment and hence increase national income. Conversely, in times of nearly full employment, governmental expenditures should be reduced drastically to avoid dangers of inflation and to prevent additional pressure on prices.

If government follows the taxing and spending policies suggested above, the reduction of spending and the increase in tax revenue will result in a budget surplus. As we have noted in our examination of the national income, a governmental surplus operates in the same way as a reduction in savings and therefore in investments. This will cause a decline in production, which reduces the national income and tends to check an inflationary trend. The surplus revenue may be used by government to retire some of the public debt. In paying off these debts, however, care must be taken that the money does not get into business channels, where it will add to the inflationary trend. This danger can be avoided by paying off bonds held by the Federal Reserve Banks and depositing the money to the government's accounts in the Reserve Banks, where it must be backed by a reserve of gold certificates.

In periods of declining national income, if government follows the policy of decreasing taxes and increasing expenditures, a budget deficit will result. The amount of the deficit may be borrowed from commercial banks, and the banks can use the government securities to increase their reserve deposits at the Federal Reserve Banks and thereby increase loans to their customers. Deficit spending by government acts the same as an increase in investment, as we have seen previously, and the deficit-spending multiplier operates to increase national income. As a result of deficit spending, the amount of money in circulation will be increased, and the additional buying power will stimulate production.

**MONETARY POLICY** As stated previously, monetary policy is the means used by government to control the amount of money in circulation, a control which is exercised chiefly through the Federal Reserve System. When national income is declining, advocates of the use of governmental authority recommend that banks be encouraged to lend more money, and during times of danger of inflation, to lend less money. To check declining national income, the rediscount rate may be lowered; this will make it easier for member banks to borrow from Federal Reserve Banks and extend loans



to their customers at lower rates of interest. The legal reserve rates of member banks may also be lowered; this will enable member banks to increase their demand deposits through more loans to customers. Both of these banking procedures will place more money in circulation, thereby increasing total spending (GNP), which will stimulate production and employment. In addition, the Open-Market Committee may direct Federal Reserve Banks to buy government bonds directly on the open market. The payments for these bonds will give individuals and businesses more money for spending.

When danger of inflation threatens the national economy, opposite policies from those stated immediately above should be followed. Raising the rediscount rate and legal reserve rates will force member banks to increase their rates of interest; thus, customers will be discouraged from borrowing. The Open-Market Committee will direct the Federal Reserve Banks to sell government bonds; this will take money out of circulation and relieve the pressure on prices.

**GOVERNMENT LOANS AND GUARANTEES** The advocates of the use of governmental authority recommend regulation of public and private credit to help stabilize the economy. They agree that governmental policy directed toward expanding the supply of money will not be effective if lending agencies regard the economic conditions to be such that new loans will entail considerable risk, as is generally the situation in times of declining spending. Generally, commercial banking practices become deflationary in such times: banks attempt to call in loans to place their business on a sound basis. Under these circumstances, the government can encourage lending either by making loans directly or by guaranteeing loans made by banks and other private agencies through such public agencies as the Federal Housing Administration, the Federal Farm Mortgage Corporation, and the Public Housing Authority. With the government guaranteeing loans, lenders will be more willing to extend credit to their customers. In addition, restrictions on consumer buying, such as installment purchases, which may be imposed by congressional action, should be made more lenient or removed completely, to encourage more buying by the public and thereby stimulating production.

As national income rises, one of the major inflationary pressures is the increase in purchases of durable consumer goods, such as houses, machinery, appliances, and automobiles. To discourage such

purchases, government may make credit more difficult to obtain from both public and private lending agencies by increasing the rate of interest, requiring large initial payments at the time of purchase, and reducing the time in which to complete payments for the purchase. More stringent credit requirements may be imposed by such governmental agencies as the Farm Home Loan Administration and the Federal Housing Administration. Private credit agencies and business firms also may be required to tighten their credit facilities. For example, during and immediately after World War II, Congress gave the Federal Reserve System discretionary powers to restrict installment buying by requiring business firms to obtain from their customers at least one-third of the purchase price in cash for any article sold and to limit the time in which the installment payments were to be made. Such measures help guard against consumer over-purchasing with pledges against future income and, by lessening demand, relieve the pressures on prices.

In summarizing the nature of fiscal and monetary policies of the government as advocated by the supporters of the use of governmental authority, it should be noted that all the measures recommended for dealing with a decline in income and employment tend to expand total spending for capital and consumer goods and to increase the supply of money in circulation—such measures will tend to maintain a high level of national income. Conversely, the measures recommended for dealing with conditions tending toward full employment, with the dangers of an inflationary trend, will cause total spending to decline and the supply of money in circulation to decrease—such measures will also result in a high level of national income without the inflationary pressures on prices. By the application of these policies, it is claimed that an equilibrium level of high national income will be achieved and that the national economy will function smoothly without the extremes of the business cycle.

## SUMMARY

In this chapter, the concept of national income has been examined, the monetary system of the United States has been described, and the relation of governmental fiscal and monetary policies to economic stability has been explained.

The concept of national income may be explained as the sum total of incomes from labor and property earned in producing the

national output of goods and services. There are two ways of measuring national income over a period of time—for example, a year—(1) by the total income earned by the owners of the factors of production and (2) by the total value of all goods and services produced. Although these two ways are different, they are essentially two aspects of the same process. The total income earned consists of wages, salaries, and other compensation of employees; proprietors' and rental income; corporation profits; and interest. The total value of all goods and services produced is called Gross National Product (GNP). This way of looking at national income is from the point of view of spending. Total expenditures consist of personal consumption expenditures; gross private domestic investment; net foreign investment; and governmental purchases of goods and services. Spending creates money income, and the total amount received as income is equal to the total amount of spending. Actual national income is not equal to GNP, however, since capital goods must be replaced and allowances must be made for depreciation and obsolescence. When these allowances are deducted from GNP, we have Net National Product (NNP), which equals national income.

The level of national income is determined by the savings of people and the investment of those savings in productive enterprises. The total amount spent for consumption and investment also contributes to the determination of national income. Furthermore, governmental fiscal operations affect the level of national income. Governmental expenditures stimulate production, which raises the level of national income, and taxes tend to serve the same function as savings when government spends the taxes for goods and services. When all components of the national income are brought together, an equilibrium level of national income tends to exist. This may be stated as follows: consumption plus savings plus taxes equals consumption plus investment plus government spending.

Almost every society has a system in which money is used to facilitate the exchange of goods and services. Money serves as a standard of value, medium of exchange, store of value, and standard of deferred payments. The gold dollar is the standard of value in the United States, but it does not circulate as a medium of exchange. People accept substitutes for gold as money, since gold stands behind the substitutes.

A close relationship exists between money and price levels. Demand for goods and services is represented by the amount of money and the rapidity of its circulation. In other words, people exert

demand for goods and services by spending money, and price is determined by supply and demand. Therefore, the amount of money people have to spend for goods and services is a deciding factor in their economic activity.

The Constitution of the United States provides for virtually unlimited congressional control of money. Congress has used its constitutional authority in establishing the Federal Reserve System of banking and in regulating the activities of the System. The organization of the Federal Reserve System consists of a Board of Governors, one Federal Reserve Bank in each of twelve geographical districts, and member banks within each district. These member banks do about 85 per cent of the commercial banking business of the nation.

The Board of Governors has authority to co-ordinate the activities of the twelve Reserve Banks and to regulate closely the activities of all banks in the Federal Reserve System. It can control the loan transactions of the banks and so control the amount of money in circulation. This control is important because bank deposits constitute more than 77 per cent of all money in the United States. The Board of Governors requires the banks to hold a certain percentage of their deposits in legal reserves, determines the rediscount rate, and regulates the issue of money in the form of Federal Reserve Notes. The members of the Board of Governors, together with five other persons, make up the Open-Market Committee, which directs the buying and selling of government securities by the Federal Reserve Banks. By these various means, the amount of money in circulation can be regulated to a great extent.

The fiscal and monetary policies of the national government have a significant effect on the national economy. The immense financial operations and the monetary regulations of government today make such an impact upon the economic activities of the people of the nation that great attention is being given to the purposes of governmental fiscal and monetary policies. Many people believe that governmental policy should be formulated to stabilize the national economy. They advocate that, in order to accomplish this goal, the government use existing controls to prevent either a drastic decline in spending or an inflationary rise in national income—that is, to keep the national economy operating smoothly at a high level of national income and full employment of labor and resources. Included in these controls are the regulation of the tax rate, adjustment of governmental expenditures, management of the public debt,

expansion or contraction of bank loans and Federal Reserve Notes, and regulation of public and private lending. If the national income is watched closely, these controls, it is contended, can be applied by government to maintain a high degree of economic stability.

## QUESTIONS

1. *Explain the two ways of measuring national income.*
2. What is the relation between saving and investment in determining national income? Between consumption and investment? Why is investment the key factor in determining the level of national income?
3. How does government spending and taxing affect the level of national income?
4. What is meant by the equilibrium of national income?
5. What are the functions of money? Give a specific example of each function.
6. If you had purchased a house on a ten-year monthly payment plan immediately before World War II, would you have benefited from the rising price levels of war times? Why or why not?
7. Although the gold dollar is the standard of value in the United States, it does not circulate as money. Why are people willing to accept token coins and paper money in their business transactions?
8. Why can demand deposits be called money? What relationship exists between demand deposits and the production of goods?
9. Explain the organization and functions of the Federal Reserve System.
10. What controls may the Federal Reserve System use to regulate the amount of money in circulation?
11. How can a comparison of the levels of national income over a period of years aid in determining the fiscal and monetary policies that government should follow in stabilizing the national economy?
12. What fiscal and monetary policies are available for the government to follow in time of inflation? In time of deflation?

## DISCUSSION

1. Assume that the billions of dollars worth of gold kept in storage by the national government should suddenly disappear. What would be the effect on our monetary system? Why?
2. "Savings are not beneficial to the national economy because they result in a decline in spending." Evaluate this statement.
3. Would you expect private banks to control demand deposits to combat price fluctuations if the Federal Reserve System were not in existence? Explain your answer.

4. "Government should adopt economic stabilization as its primary objective." Make a case for your opinion about this statement.
5. Do you believe that high taxes on low-income groups are justified during times of inflation? Why or why not?
6. "Direct governmental controls over the economy are inconsistent with democratic processes." Do you agree or disagree with this statement? Why?

## TERMS

**Commercial bank:** The kind of bank which provides the security for savings, the ready cash, and the credit for most of the daily business throughout the country, in contrast to an investment bank, which deals mainly in governmental and corporate securities.

**Commercial paper:** Short-term negotiable instruments, such as promissory notes, bills of exchange, and drafts, arising out of business transactions.

**Gross National Product:** The total dollar value of all goods and services produced in the nation during a year's time.

**Net National Product:** The same as Gross National Product except that the estimated dollar value of depreciation and obsolescence of capital goods is deducted.

**Real income:** Income calculated as purchasing power, as distinct from nominal income, measured in money.

**Rediscount:** A technical term the usage of which developed from a form of transaction used in the Federal Reserve System. In this usage, it applies to the transaction that takes place when a member bank sells a customer's promissory note to a Reserve Bank. When the member bank has lent the money to the customer, the note has been discounted—that is, the bank has bought the note from the customer at a *discount* (amount of interest charged) from its maturity value. When the member bank sells the note to the Reserve Bank, it is *rediscounted*—that is, the member bank, like the customer, gets less than the maturity value of the note.

**Reserves:** The quantity of money a bank keeps on hand as a safeguard against unexpected demands by depositors.

**Time deposits:** An account at a bank from which withdrawals may be made, usually after a certain period of prior notice has been given to the bank. A savings account.

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### PART III

## *A World Society*

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In this book, attention has been centered primarily upon man in his social environment in the United States. Confining the study of society to one country, however, does not afford a complete description, because social relations cannot be either localized or nationalized entirely. World War II provided an object lesson in this respect. Just as no person in any nation can isolate himself completely, no nation can conduct its affairs separately from the rest of the world. Modern communication and transportation, economic interdependence, and other factors have brought the parts of the world more closely together today than ever before in the history of mankind. The concluding part of this book, therefore, is devoted to a consideration of world society, and particularly to the place in it of the United States.



As an approach to a consideration of world society, the present chapter serves as a basis for the following chapters. The development of a unified world society centers in the expansion of Europe. Much of the world's surface has been at one time or another under the control of European peoples, who either actually planted settlements overseas or established economic or political rule over areas inhabited by non-European peoples. European settlements have been created largely in the temperate zones, and the areas exploited for economic purposes have been largely in the tropics. Nor is European expansion in the form of annexation and control of areas the entire story. Ample proof of the spread of European culture may be found in all lands, whether or not they have been settled or controlled by Europeans.

Naturally, the contributions made to human culture by societies other than European cannot be ignored. Such Oriental societies as the Chinese, Japanese, Hindu, and other less conspicuous groups have enriched total human culture, and aboriginal cultures found in the New World, Africa, and upon the islands of the seas have made their contributions.

Two viewpoints exist about the development of a world society: one is that as long as a strong spirit of nationalism exists in a national-state system, a world society is an impossibility; the other, though acknowledging that a strong nationalistic spirit does at present prevent the creation of a world political unity, is that other than political forces and factors have been working toward the creation of a world society and that these forces will eventually weaken nationalism, making it possible for a world society to exist.

Furthermore, according to this point of view, the most effective means of creating a world society is through exchange of cultural elements of the various societies of the world. Because European culture has expanded to reach all parts of the globe, it serves potentially as a common denominator for building a world society in which common cultural elements exist.

The present chapter describes the world-wide spread of European culture, the methods used in and effects resulting from such expansion, and the possibility of creating a world society. Succeeding chapters deal with other forces in world society that have brought about co-operation among the nations of the world. These chapters also point out the obstacles and difficulties that stand in the way of the establishment of a unified world society.

## THE AWAKENING OF EUROPE

### *Before the Awakening*

The general conditions in Europe during the Middle Ages have been described in Chapters 14 and 17 of Volume I. The situation at that time was that of the localized, decentralized political system of feudalism, the self-sufficient economic order of the manorial system, and the universal influence of the Roman Catholic Church in the so-called Age of Faith. The small feudal and manorial communities were isolated from one another and from the rest of the world. No evidence indicated that these economically self-sufficient, politically decentralized, and relatively self-satisfied communities would become the central pivots around which forces would operate to project their cultural elements to all corners of the earth. Before this phenomenon could take place, an awakening had to occur to cause medieval Europeans to cast off their lethargy.

### *Forces behind the Awakening of Europe*

**THE CRUSADES** The Crusades were the initial step in bringing a large portion of European peoples into contact with conditions other than their own. In their historical perspective, the Crusades are not to be considered exclusively as religious wars to wrest the Holy Land from the Moslem Turks. Not only were they the first important step in the European penetration of non-European lands; they were also enormous business undertakings. Although the Crusades

failed to accomplish their chief purpose—recovering the Holy Land for Christendom—they did have significant results. The most important, for the purpose of this chapter, were (1) further exploration and travel in the Near East by Europeans, resulting in an increase of geographical knowledge and in the “discovery” of the Far East by Western Europe; (2) growth of commerce and improved methods of carrying on trade; (3) decline of the feudal and manorial systems in Europe; (4) stimulation of the cultural development of Europe, resulting from the contact with Moslem and Byzantine civilizations; and (5) continued interest in discovery and exploration, resulting in the overseas expansion of Europe that began at the close of the fifteenth century and that reached to parts of the world other than the Near and Far East.

**THE RENAISSANCE** The Renaissance—the intellectual awakening of Europe during the fourteenth, fifteenth, and sixteenth centuries—exercised a profound influence on the expansion of Europe. Until a generation or two ago, the usual view of the Renaissance was that it constituted an era in itself. Today, students of modern history view it as a time of transition between the medieval and modern periods. Among the characteristics associated with it were the decline of the influence of the Roman Catholic Church in centering people’s attention on the “other world” and the rise of individualism in the outlook and conduct of man.

As the prevailing supernaturalism began to decline, secular and human interests came to assume a prominent place among human values. Less reliance was placed on faith, and the present world here on earth came to mean more to men. The ideal life was no longer an existence apart from society; it came to involve participation in human affairs. *Secularism* and *skepticism* characterized the intellectual life of the Renaissance.

The second outstanding characteristic of the Renaissance, individualism, was a break with the past. The Medieval Church did not approve of individual thought or expression of opinion on many subjects, and under feudalism the isolated individual had little importance. During the Renaissance, writers emphasized the virtues of intellectual freedom. In the arts, the painters, architects, and sculptors broke away from precedents in favor of individual expression. The rise of vernacular languages broke down the universality of Latin, resulting in a more varied, worldly literature. The eco-

conomic developments stimulated by a rising middle class followed a trend toward individualistic capitalism.

Individualism and curiosity went hand in hand. Man as an individual became curious about himself and his relationship with other men; he became curious about the world in which he lived; and he became curious about the universe. Intellectual curiosity had far-reaching results. Sciences such as anatomy, geography, and astronomy made rapid advances, and the desire to explore the earth led to discovery. New contacts with other parts of the world led to an interchange of cultural elements which resulted in an enriched and more dynamic European culture and laid the basis for further expansion and cultural diffusion.

**OTHER FORCES** In addition to the Crusades and Renaissance, other developments contributed to the awakening of Europe. One of these was the capitalistic process of production of goods. With the decline of the manorial system, the merchant and craft guilds introduced the capitalistic process, first most widely practiced in the form of the domestic system, and later of the factory system. Increased production of goods called for new techniques of trade, for abundant sources of raw materials, and for more extensive markets. Domestic sources of raw materials and markets for finished products were often inadequate to meet the demands, so that transnational and transcontinental trading increased in Europe.

The feudal political system was unable to adjust itself to the changing times. This failure resulted in an entirely new political structure—the national state. Under the influence of the rising business groups, national states responded to the existing economic need, providing the necessary protection and promotion for an expanding economy and a new social order.

Intellectual progress came with the contact of European culture with other cultures. One phase of this progress was new inventions. The improvement of the compass, the invention of the astrolabe, and the improvement in design and construction of ships were valuable aids to navigation. With such aids, mariners dared to sail on uncharted seas, dispelling the superstitions about the world beyond European shores. The invention of the movable-type printing press (c. 1440), by increasing the output of printed material, aided the dissemination of ideas and knowledge. This invention also contributed to the printing of maps and charts that not only helped navigation but also contributed to the science of geography.

## COMMERCIAL AND COLONIAL EXPANSION— THE COMMERCIAL REVOLUTION

The awakening of Europe prepared Europeans for the role they were to play in extending their cultures to other parts of the world. When opportunities for expansion arose, they were ready to use them in acquiring new lands, establishing colonies, and extending trading contacts. In all these activities, naturally, cultural traits and patterns were diffused.

### *European Interest in the Orient*

The Crusades stimulated Europeans to make contact with the Far East. A series of medieval travels from Europe to the Orient began in the middle of the thirteenth century, and the reports of the travelers stirred the curiosity of the Europeans. The relatively backward and ignorant Europeans were impressed by the reports of advanced civilizations and fabulous riches of the eastern lands. As a result, trade grew, and there were developed definite routes along which the exchange of goods between the East and the West took place at fixed terminals. For many years this new commerce was controlled by the Italian city-states in a virtual monopoly of the carrying and distribution of Oriental goods in Europe. The Western European nations sought relief from the monopoly prices of these goods by establishing direct trade with the Far East. With the Portuguese and Spaniards, religious motives were also influential in extending their interests to other parts of the world.

### *Overseas Discoveries and Exploration*

**PORTUGUESE EXPANSION** For more than fifty years, Prince Henry the Navigator was the principal sponsor of Portuguese exploration of the west coast of Africa. After his death, the enterprise was continued, and finally in 1486 Bartholomew Diaz rounded the Cape of Good Hope. This achievement spurred further efforts, and in 1498 Vasco da Gama reached India by way of the Cape of Good Hope. Thus a direct all-water route was established to the Orient, and it was no longer necessary to pay the exorbitant prices exacted by the Italians for the spices and other articles that Europe received from the Far East. In succeeding years many Portuguese fleets followed Vasco da Gama's route to the East. Trading stations were established on the coasts of India, the Malay peninsula, and the East Indies.

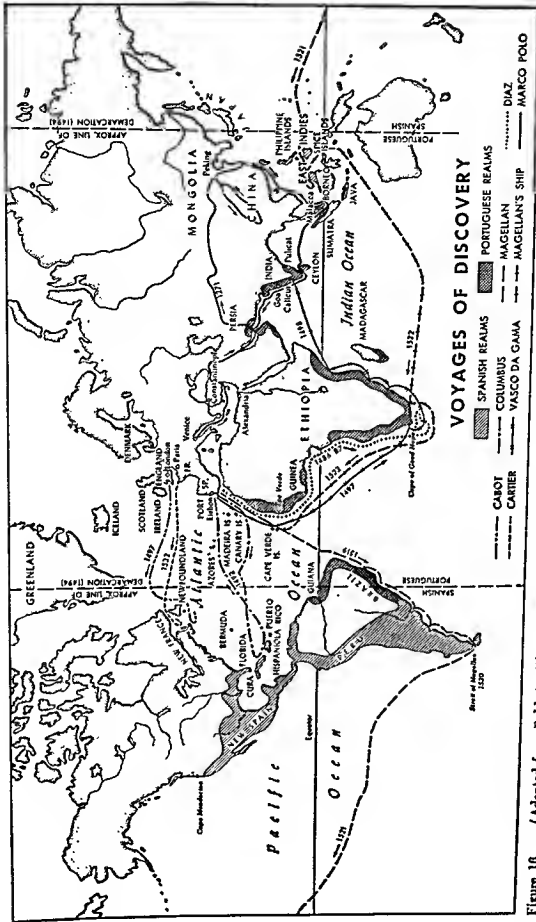


Figure 10.  
(Adapted from Baldwin, *The Stream of American History*, American Book Co., 1953)

Thousands of Portuguese migrated to these areas to obtain commercial riches. Trading contacts also were established with China, but Portuguese trading posts were not allowed at that time on Chinese coasts. In 1500, a Portuguese fleet commander, Cabral, on his way around the Cape of Good Hope, steered in a southwesterly direction and sighted land that came to be known as Brazil, where a Portuguese colony was established. Portugal's influence in Europe increased as she became wealthy from her overseas trade. More important, the elements of Portuguese culture were carried to other parts of the world, an early step in the world-wide expansion of European culture.

**SPANISH EXPANSION** One of the reasons the Portuguese were so zealous in pursuing commercial interests in the Far East was their jealousy of Spanish success in the New World. Christopher Columbus, a native of Genoa, Italy, who later lived in Portugal and Spain, became convinced that the East Indies could be reached by sailing westward. After spending seven years trying to interest the Spanish in his project, he finally was given financial support by Queen Isabella. With the royal funds, he outfitted three ships and set sail from Palos on August 3, 1492. On October 12, 1492, he sighted land that he believed to be Asia. In reality it was one of the Bahama Islands in the West Indies. Long after Columbus' time, however, many Europeans still did not realize that the Western Hemisphere stood between Europe and Asia.

Altogether, Columbus made four voyages to the New World. He was followed by scores of Spanish leaders, who explored and colonized large portions of the Americas. Well known to students of American history are the names of Balboa, Cortez, de Soto, Pizarro, Coronado, and others. Worthy of note in the list of explorers is the name of Magellan, who, under the auspices of Spain, circumnavigated the globe (1519-1522). Starting from Spain, Magellan rounded the southern tip of South America, crossed the Pacific Ocean, and touched the Philippine Islands, where he was killed. One of his ships continued the voyage, sailing across the Indian Ocean, around the Cape of Good Hope, and back to Spain. This voyage provided added information about the size of the earth, proved that the world was round, and definitely established the remoteness of Asia from Europe.

As a result of the exploratory work of the Spaniards, elements of European culture were carried to the West Indies, nearly all of

South America, all of Central America, and the southern part of what came to be the United States. In addition, the Spanish became interested in some of the Pacific islands, particularly the Philippines, an interest which led to later colonization.

**EXPANSION OF OTHER EUROPEAN COUNTRIES** Envious of the power and wealth amassed by Portugal and Spain, other national states of Western Europe began explorations. In 1497, England sent John Cabot northwest from England to find a route to Asia. Cabot landed on the coast of Labrador and established a claim for England to the New World. The English did not follow Cabot's lead for some time, but by the close of the sixteenth century, they became interested in the New World for trading and fishing. In the early years of the seventeenth century, permanent colonies were founded along the Atlantic seaboard of the future United States, and English colonial activity extended from New England to Florida. Reasons other than the desire for profits from trading and fishing also led Englishmen to migrate to America—for example, religious and political persecution and adverse economic conditions in England. By the middle of the eighteenth century, the English colonies formed a continuous territorial unit in the Atlantic seaboard region.

Englishmen not only were interested in developing the Atlantic seaboard of North America but also laid claims to the western coast. From 1577 to 1580, Sir Francis Drake, in circumnavigating the globe as a plunderer of Spanish ships, touched the coast of California and claimed it for England. His claim, however, was not followed by colonization. Other efforts by the English succeeded in establishing trading posts at Archangel and on the White Sea coast of Russia and the coasts of India. In the West Indies, the English found profitable trade in the Barbados, Jamaica, and many other islands, which also served as places of English colonization. Another area of English interest was the continent of Australia. Captain James Cook touched the eastern shore of that continent in 1769. About twenty years later, a group of English convicts were transported to Australia. This practice was continued until early in the nineteenth century, when many free settlers migrated there and soon began agitating against the transportation of convicts. Their efforts were successful, and Australia became the permanent home of hundreds of thousands of Englishmen.

Inspired by England's efforts, the French also sent exploring expeditions to the New World and to Asia. The French concentrated



their efforts in North America in the valleys of the St. Lawrence and Mississippi Rivers and around the Great Lakes. The primary motive for French colonization was trade, particularly the fur trade. For the most part, Frenchmen came to America not to settle permanently but to gain riches. Compared with the English, who migrated to the New World to found homes, the French were less numerous and more transitory. The French also colonized some of the islands of the West Indies. Among these, Martinique and Guadeloupe were of particular importance because of the sugar industry which the French developed there. Like the British, the French became interested in trade with India and established a trading company, under governmental backing, to carry on commercial pursuits in the area. Considerable rivalry developed between Great Britain and France, leading eventually to a series of wars for commercial and colonial supremacy.

Although a relatively small nation, the Netherlands became an outstanding commercial power during the first half of the seventeenth century. Henry Hudson, an Englishman, sailed up the Hudson River in 1609 under the auspices of the Netherlands and established a Dutch claim to the area. The Dutch West India Company was organized to colonize and to conduct trade in the region. After a few years, the Dutch settlements were conquered by the English, *but not until Dutch cultural influence had taken root. The Dutch* also gained footholds in the West Indies, especially in the island of Curaçao. They, like the English and the French, also extended their commercial endeavors to the Far East. The Dutch East India Company succeeded in dislodging the Portuguese from the East Indies and took over the rich trade of this region. The southern tip of Africa also attracted the Dutch. In 1651, a settlement was established on the Cape of Good Hope. The new settlement of Cape Town grew slowly, and Dutch rule came to an end when the British acquired the colony in 1806 during the Napoleonic Wars; however, the Dutch settlers increased and are now more numerous than the English.

During the first half of the seventeenth century, the Russians expanded eastward. By 1690, they had crossed Siberia and reached the Kamchatka Peninsula. Hearing rumors of a land to the northeast, Vitus Bering, a Dutch navigator employed by Russia, sighted North America. Missionaries and settlers settled in Alaska four years later, and Russian fur traders extended their enterprise southward along the western coast of Canada and reached California early in the

eighteenth century. By this time, ships from England, Spain, and France were also cruising the waters along the western shore of North America and of Alaska, drawn to these regions by the profits from seal hunting and fur trading.

### *Extent and Nature of Commercial and Colonial Expansion*

During the Commercial Revolution, the diffusion of European culture was impressive in its extent. The desire for wealth, zeal for the spread of Christianity, the need for relief of overcrowded conditions in certain parts of Europe, the demand for raw materials and new markets, the interest of national states in economic and political security, the wish for international prestige and glory, the love of adventure—each of these had its influence on the process of expansion.

By the early part of the nineteenth century, most of the European nations had placed their claims for colonial areas. "Little Europes," as represented by new Englands, new Frances, new Netherlands, new Spains, and so forth, were to be found in every continent and in many islands of the world. From these centers, a further extension of European or Western culture took place. Thus European cultural centers, apart from Europe itself, stood ready to expand culturally, bringing Western ways of living to still other parts of the earth.

## INDUSTRIAL EXPANSION—THE INDUSTRIAL REVOLUTION

Another stimulus for the spread of Western culture was provided by the Industrial Revolution. Industrialism spread from England, and various European countries and the United States accepted machine production and wove the process into the fabric of their national economies. From these centers, industrialism was carried to other parts of the world. Although rapidly accepted by some people and only gradually by others, industrialization eventually affected nearly every group in the world's population. From this beginning, a world economy has gradually evolved.

Modern world trade is a product of the Industrial Revolution. The expansion of commerce after the Industrial Revolution was intensive and different from that of previous times. Unlike that of the sixteenth century, it was not attended by the discovery of new continents or the finding of new oceans. But new ocean lanes were laid

out, leading to many communities not reached in the centuries before the Industrial Revolution. Increased production of goods, new markets, and improved methods of exchange caused the tonnage of ocean-going trade to grow to an unprecedented volume. These factors, together with a revolution in the facilities of transportation and communication, produced a transformation in international commerce.

The tremendous increase in international trade in the decades following the Industrial Revolution resulted in the development of a world economy. As time went on, further progress in the economic integration of society took place. This development may be explained by referring to the comparative insignificance of commerce during the Middle Ages. The Commercial Revolution of the sixteenth century, followed by the rise of national economies, resulted in an increase in international trade, particularly between European countries and their colonial possessions. But the Industrial Revolution brought about the exchange of commodities in every part of the world, enabling more communities than previously to share in the goods of the world. It tended thus to make national economies antiquated and to weld the nations into a world economy. Economically speaking, virtually the entire world community was bound together as a unit. The complicated commercial and financial systems so interlaced the economic interests of society that when an injury to the economic life of one nation occurred, the lives of people in other nations were affected. This close interrelationship has been demonstrated by the economic adversity experienced by some nations of the world after World War II. In one sense, the willingness of the United States to provide economic aid in the economic rehabilitation of those affected nations is evidence that one nation cannot afford to be indifferent to conditions in other parts of the world society.

The interdependence and interweaving of national economies may be illustrated by other examples. After World War I, payment of war debts to the United States by European countries was dependent upon Germany's making reparations payments to these European nations, and Germany was able to make reparations payments with loans extended to her by businessmen of the United States. As long as the loans were forthcoming, reparations and war debt payments were made periodically. After the stock market crash in the United States in 1929, the entire process stopped, and this situation contributed to the depression of the 1930's, when the economies of

Europe and the United States, and of the entire world, collapsed. In some instances, the economy of nations is affected by dependence upon other nations or areas of the world for certain essential materials. The English cotton mills are wholly dependent upon supplies of raw cotton from areas outside the British Isles, and cotton producing areas are affected, in turn, by economic conditions in England. The United States is dependent upon Bolivia and Malaya for tin and upon the East Indies and Malaya for natural rubber. In an economic sense, the world has become like a living organism, in which the nations function as organic parts to sustain the health of the whole.

## POLITICAL EXPANSION—IMPERIALISM

### *Reaction against Colonialism*

A condition necessary for a world economy is relatively unrestricted trade among nations. The middle part of the nineteenth century gave promise of such a situation. The early English exponents of *laissez faire* apparently thought of a world economy, since their hope was for a free-trade world, in which there would be an unhindered flow of goods and capital across national boundary lines. Therefore, they attacked one of the integral parts of mercantilist economy—that is, colonial expansion and rigid control of colonies. Adam Smith criticized the theory of colonial expansion and control as one of the numerous fallacies of mercantilism. He contended that Great Britain had been weakened rather than strengthened by colonialism and that nothing but loss had been sustained from the acquisition of colonies. Many other *laissez-faire* theorists attacked colonialism during the eighteenth century and early part of the following century. The commercial results of the American Revolution appeared to substantiate their ideas, for within a short time after independence had been gained, England enjoyed a growing commerce with the United States. Meanwhile, the doctrine of *laissez faire* was becoming popular on the European continent, particularly in France. As the Industrial Revolution spread to Europe, the mercantilistic policy, with its close governmental regulation of economic affairs, gradually broke down.

The *laissez-faire* economists were unable to reconcile their doctrine of free trade with colonial policies that had prevailed during the time of the Commercial Revolution. They thought they had proved that *laissez faire* was the unquestioned way to national, as well as individual, wealth and welfare and that all restraints upon

the economic freedom and development of the colonies should be eliminated. Colonies were a source of expense: it was costly to defend and to administer them. They should be opened to free trade and given their independence as soon as they could handle their own affairs. Thus the costs of holding colonies could be saved and resources would be made available for increasing the standard of living at home. Furthermore, war, which destroys wealth, would not occur, because nations would not fight for commerce and empire if there were free trade. By such reasoning, the advocates of *laissez faire* expected that in a free-trade world the old idea of a monopolistic national economy would be replaced by a world economy in which all peoples could buy and sell at the greatest advantage to themselves.

For a time during the middle of the nineteenth century, the course of events indicated that these expectations might be realized. Great Britain inaugurated a free-trade policy which she extended to the empire. Several of the continental European countries followed Britain's example, although none of them went as far as Great Britain. In England, statesmen even proposed granting independence to certain colonies when they had developed political and economic maturity.

In the 1850's, general European sentiment against imperialism was evident. Yet within two decades, the tide had turned, and public opinion again favored imperialistic expansion. This movement for renewed European expansion is referred to as the New Imperialism, as contrasted with the imperialism of the Commercial Revolution (Old Imperialism).

### *Reasons for the New Imperialism*

During the last quarter of the nineteenth century, two powerful forces—the rise of intense nationalism and the economic demands of machine industry—blasted the hopes for the realization of a free-trade world. The combination of these two forces resulted in an economic nationalism that changed the international aspects of modern economy. Most of the industrial nations forsook free trade and resorted to the use of trade barriers and to imperialism. Consequently, during the twentieth century, imperialistic policies interfered with the free operation of economic forces within the world economy.

Several developments led European nations to engage in imperialistic ventures and to follow policies of economic nationalism. An

outstanding phenomenon of nineteenth-century European history was the extension of industrialism from Great Britain to the continent and its subsequent effect upon the economic policies of several European nations. British bankers lent money to the continental states of Europe, and this money was invested in railroads, industrial plants, and public works. Industrialization was encouraged and accelerated, and private business realized the opportunities for profitable rewards by turning to machine industry. There were obstacles, however. The infant industries of European nations could not compete successfully with the established industries of England, and instead of free trade, protection was needed. Moreover, adequate raw materials were not available at home, and dependence upon other nations for such materials was uncertain. In addition, European businessmen reasoned that foreign markets must be available if the industrial process were to be maintained and expanded. Lastly, surplus capital accumulated with the advance of industrial enterprise. High returns could not always be had by investing this capital at home.

Business interests called upon the state to adopt such policies as protective tariffs and acquisition of colonies, to promote home industries, and to furnish raw materials, markets, and places for profitable investment. In other words, business interests demanded imperialism, and government officials and politicians soon found that business interests paralleled certain vital interests of the state. Accordingly, a tacit partnership developed between big business and government, and the industrial nations embarked upon a policy of imperialism.

During the three or four decades before World War I, most of the strong powers of the world became interested in imperialistic ventures. Economic nationalism influenced France, Germany, Great Britain, Italy, Russia, Austria-Hungary, Japan, and the United States to acquire territory. Other reasons contributed to the same end. In some nations—for example, Italy, Germany, and Japan—consideration was given to the loss of discontented excess population. When a country acquired and settled colonies, this population could be drawn off and still live under the jurisdiction of the mother country. Also, big business was often interested in products indispensable to the services of the state. Oil became a necessity for naval craft, aircraft, and locomotives. The apparent duty of the government was to safeguard its supplies and to prevent them from falling into the hands of a potential enemy. The rivalry of Russia and Great Britain

in the Near East, particularly in Iran (formerly Persia), has for several decades been due to the existence of known oil reserves there. In some instances, big business found opportunities for profits in islands of strategic naval importance—for example, businessmen of the United States developed interests in Hawaii, and English businessmen in Ceylon. The duty of the state seemed to be to control such places. Many government leaders—for example, Joseph Chamberlain of England, Walter Rathenau of Germany, and Nelson W. Aldrich of the United States—were either business leaders themselves or were investors in business enterprises that benefited from government policies. Quite naturally, these men would see in their own interests the interest of the nation as a whole.

The desire of big business for assistance from their governments and the response of governments to that desire was a trend away from *laissez faire* and individualism. This same trend was evident in other governmental policies. Increasingly, the governments in most of the industrial countries were extending their authority to promote public welfare. For example, legislators provided for old-age insurance, workmen's compensation in case of accident and sickness, better housing, improved sanitation, and other matters of social welfare. At the same time, government was intervening in external affairs—that is, adopting the policy of imperialism. The role of the state was changing from a negative to a positive one. This change meant that the state was to become a guardian of public welfare in a new sense, protecting and promoting the prosperity and property of its citizens. The state was to perform these services to become itself powerful and prosperous and able to meet any emergency. This changing role of the state meant in reality that economic nationalism was being joined to political nationalism to build and maintain state power.

The new role of the state had a decided effect on the rank and file of citizens. Patriotic loyalty to the state deepened, and the belief prevailed that the all-powerful state could and would do good for its citizens. In such a climate of feeling, national egotism flourished. Belief in national cultural superiority became a kind of cult. The people believed that such a superior culture as theirs must be protected both in the homeland and in the colonies, whose preservation was necessary for the welfare of the mother country. Jobs, prosperity, security, and general welfare might well come with the obtaining and protection of colonies. The backward peoples of the earth should share in the great benefits of a superior civilization—

such was a duty of the superior to the inferior. With such a popular attitude, impassioned pleas to stir men's emotions easily might induce the citizenry—in England and France, for example—to provide for strengthening the navy, for building railroads in India and Indochina, or for carrying out military operations in Central Africa.

The relationship between nationalism and industrialism in the imperialistic policies of the great nations of Europe was evident during the last two decades of the nineteenth century. The possibilities of national expansion in Europe apparently were exhausted, and the more aggressive states sought new worlds to conquer. Italy and Germany, each recently unified as national states, looked with envy on the colonial empires of Great Britain and France. National prestige depended upon, and national pride demanded, overseas expansion. The small nations as well as the large ones felt impelled to achieve a "place in the sun" and to carry a share of the "white man's burden." European nations, large or small, attempted to seize control of underdeveloped regions of Africa and Asia.

Another significant element in imperialism was the desire to convert the natives of Africa, Asia, and the islands of the seas to Christianity. Missionaries, both Catholic and Protestant, were sent among the nonbelievers. Motivated by humanitarian and religious ideals, the missionaries strove to bring the benefits of Western education and science to the backward peoples. If greedy and aggressive imperialists used the missionaries to gain entry into new regions, the reflection must be cast on the nature of imperialism and not on religion. Sometimes an overzealous missionary offended native custom and consequently lost his life. A pretext was thus provided for further aggression by the country of which the missionary was a native.

### *Methods of the New Imperialism*

A variety of methods were used by imperialistic nations to gain their ends. In most cases, attempts were not made to annex colonies outright, the more subtle process of "peaceful penetration" being preferred. Where the native government was weak, the country was divided into *spheres of influence*, as in China. In each of the spheres of influence, representatives of some foreign power gained the right to exploit the natural resources and the markets to the exclusion of the nationals of other foreign powers. A virtual monopoly of the economic resources of the area was gained, and a system of special laws protecting the citizens of the foreign country concerned was



enforced. A different kind of *penetration—concession*—was used when the government appeared strong. For example, in Turkey the government granted the right to build railroads and develop oil reserves in return for considerations from the imperialist powers.

In areas where rivalries were strong and the situation was fraught with danger if direct and obvious penetration was used, the imperial power deemed it advisable to establish a *protectorate*. A native ruler was maintained on the throne, but actual political and economic control was reserved for the foreign country. This method was used in Tunis, Egypt, and Santo Domingo. The *leasehold* was a variation of the protectorate. In this case, the imperialist power took a "lease" on a backward region for a specified number of years. In China, for example, Russia obtained a lease on Port Arthur and Germany on Shantung.

The ultimate step in the imperialistic process was the actual *annexation* of a backward region, the annexed area becoming a new colony of the mother country. Thus, Togoland in Africa, Ceylon off the southern coast of India, and the Philippine Islands became the colonies of Western powers. After World War I, certain nations were able to exercise a new type of politico-economic control over dependent areas called *mandates*. Some of the victorious nations were given the right to administer mandates as agents for the League of Nations—for example, England was given Iraq and Palestine; France, Syria; Japan, the former German islands in the Pacific Ocean north of the equator; and Australia, the former German islands in the Pacific Ocean south of the equator. The intention of the mandate system was that the administering power should foster the development of the people of the mandate in order to achieve self-government and eventual statehood, if that were possible.

### *Extent of Imperialism*

By the various methods mentioned above, the imperialistic nations of the West extended their influence to virtually all parts of the globe that previously had not been brought under control. In the Orient, preliminary steps had been taken as early as the 1840's by some of the Western powers to *open territories* for commercial purposes. China and Japan previously had been isolated from the rest of the world. By the use of force, Great Britain compelled China to grant her trading privileges and other concessions that were later extended to other nations of the West. The United States was instrumental in inducing Japan to grant similar concessions in the 1850's,

Western influence in China and Japan continued, and the greatest problem of the Chinese and Japanese was finding the proper method of dealing with the impact of Western culture upon their own native cultures.

The Middle East and Near East also felt the impact of Western culture. England and Russia, in particular, sought economic concessions in the Middle East (Persia, Afghanistan, Tibet) by obtaining the right to construct railroads, engage in mining operations, and carry on commerce. The Near East (Asia Minor) was of interest to England, Russia, and Germany. This region was part of the Turkish Empire, and the Turks found it necessary to grant some concessions; yet the rivalry of the imperialist powers was so great that not all the desires of each were fully realized.

Africa, the "Dark Continent," was subjected to European influence at the same time that Asia felt the impact of Western civilization. North Africa was well known by the time the New Imperialism began, but the central and southern portions of the continent remained relatively unknown. These portions were explored and found to be rich sources of raw materials. By the end of the nineteenth century, almost all parts of the great continent had been appropriated by the various European powers, the natives being too weak to offer resistance to Western penetration. The only countries that remained independent in Africa were Liberia and Ethiopia. Africa, like Asia, had come under Western influence.

The United States was influenced by the imperialistic fever that seemed to pervade the Western world. Having completed its Western settlement, the country turned its attention to overseas areas. Not only did the spirit of "manifest destiny" (territorial expansion), which had been a force in the westward movement of people across the United States, continue, but big business began to feel the need for sources of raw materials, markets, and investment opportunities. Accordingly, when an opportunity arose for the United States to intervene in the Cuban revolt against Spanish rule, advantage was taken of that opportunity, and war with Spain resulted in 1898. The victory achieved by the United States brought possession of Puerto Rico, Guam, and the Philippine Islands. Some other islands in the Pacific Ocean—for example, Wake Island, Hawaii, and part of the Samoan Islands—were obtained at about the same time. The extension of United States economic and political influence in Latin America, particularly in the Caribbean area, was rapid after the close of the war with Spain. By the early part of the twentieth

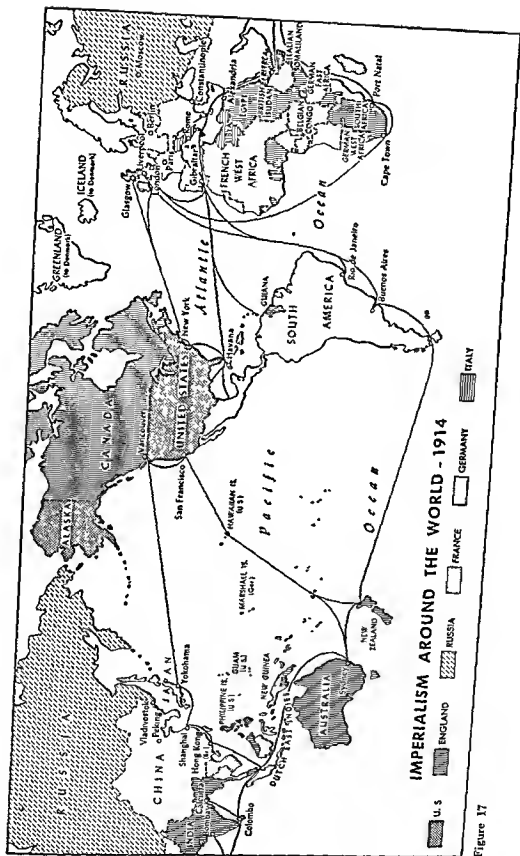


Figure 17

century, the United States was in step with the other imperialist powers in Westernizing the world.

## GENERAL CULTURAL DIFFUSION

### *Machine Technology*

The imperialism of the late nineteenth and early twentieth centuries furnished the means of carrying Western cultural traits to all parts of the world. A large part of this extension of Western culture has been the introduction of machine technology. Although native populations have not adopted Western material culture in some areas, the Westerners who live among them have been able until recently to exercise supremacy by virtue of superior technological methods. In other areas where modern machinery was adopted, striking transformations have been wrought. The economic processes that are set in action by technology apparently shape nearly all other phases of a civilization. When mechanical technology has been established in underdeveloped areas, the attributes characteristic of the Western world usually have developed. The introduction of the factory system has entailed the usual labor problems, and urban life has been promoted by industrial development. Thus the industrial development that took place two centuries ago in England has been reproduced, with variations, in each different overseas setting.

### *Political Methods and Institutions*

Some European political methods and institutions have been adopted in several overseas areas. For example, representative government has made some progress, as in India and the Middle East, and republican government has gained some popularity—for example, in Japan—although the monarchial influence is still strong. Also, the Western political systems have been adopted in such areas as Australia and the Philippine Islands, where Western people have settled and governed. One of the most striking political developments is the encouragement that imperialism gives to nationalism in colonial areas. This phenomenon has come about partly by direct imitation of Western nationalism, but chiefly by reaction against Western exploitation and oppression. National self-consciousness has been stimulated by persistent insults to the dignity and independence of native peoples by the Western powers. Resentment against these indignities not only has created nationalistic sentiments but also has

challenged the domination of the West, resulting in the creation of new states, such as India, Ceylon, Burma, and Indonesia. In only a few areas has Western nationalism promoted some internal reforms and stimulated national culture.

### *Social Customs and Institutions*

The transplantation of Western social customs overseas has brought about varying effects in different parts of the world. In general, native social customs have been interfered with only when those customs appeared to be cruel and immoral according to Western standards. Infanticide and certain religious rites and sex customs have been abolished or modified among some peoples, and much work has been done by missionaries to introduce Christian customs. Social contacts between Westerners and natives have often caused irritation. The foreigners frequently have acted as arrogant superiors; and the natives have often regarded themselves as superior in culture and tradition to the "upstart" Western intruder.

Although Western social institutions have seldom been extended entire to overseas areas, they have exerted some influence on native peoples. Missionary enterprise by both Protestants and Catholics has been extensive in Africa and Asia. Though the number of converts to Christianity probably has been small, some native Christian churches have been established, and the precepts of the Christian religion have influenced the ways of life of the natives in these areas. One of the chief justifications of imperialism has been that Western influence has "civilized" the natives. This civilizing function has been projected chiefly through the educational work of missionaries and *of teachers supported by the home and colonial governments*. The benefits and the extent of education that are claimed by the Westerners may be doubted. The amount of illiteracy in the colonial areas remains great, even after the educational efforts of many decades. For example, in 1950 about 85 per cent of the population of India were illiterate, and fewer than 1 per cent could read English. A few of the wealthier colonials and Orientals have been able to go to America or Europe for higher education. Here, as well as in the case of natives who have received some education at home, the effects often have been of some disadvantage to the imperialistic nations. As these people become informed about the culture and history of the West, they become acquainted with the questionable practices and achievements of the Western nations, and they often become skeptical of the purity of the motives behind Western imperialism.

However little the essential culture of overseas areas may have been altered, the impact of Western civilization has brought about numerous, perhaps superficial, changes in the lives of the peoples. In many areas the mode of dress of the native has changed—for example, the Western business suit has been substituted for the kimono among the business classes of China, Japan, and other areas in the Orient. City life has taken on some of the characteristics of urban life in the West, the introduction of the automobile and the United States movie being in part responsible.

### *The Arts*

The impact that Western art, literature, music, philosophy, and other arts have had on overseas areas is difficult to assess. Because the great mass of people in those areas are illiterate and have little opportunity to come in contact with works of Western art, they are not affected by Western influence. The literate and enlightened classes, particularly those people living in the cities, have more opportunity to experience contacts with the cultural traits related to the humanities. They read literary works of the West, see works of Western art or their reproductions, and enjoy Western music, at least in a limited degree. Probably most important in conveying impressions of Western culture to overseas peoples are movies from the United States. This is probably unfortunate, for most of the movies shown are not only poor in quality but inaccurate in their portrayal of Western life. Often they merely increase the disdain of the cultured Oriental for the West.

### *Overseas Influence on Western Culture*

The influence of overseas cultural traits on the West cannot be left out of consideration. In the field of natural science, overseas expansion has been influential in making revolutionary progress. A mass of new geographical data, the development of physical geography, and greater perfection of astronomy resulted from the contacts Western people made with other areas of the world. A great amount of new information in the biological sciences came with the discovery of different species of plants and animals. Medical science has been aided by contact with overseas areas—for example, in the introduction of quinine to combat malaria and of various opiates to reduce pain, and in the study and control of tropical diseases.

Overseas discoveries have influenced social science, literature, art, and music. Observation of a large number of different cultures has

made possible the development of such social sciences as anthropology, ethnology, and descriptive sociology. The influence of the Orient on the subject matter of literature has been extensive. The verses and romances of Rudyard Kipling of England and *The Orientals* by Victor Hugo of France are examples of this influence. In art, the adaptation of Japanese prints, lacquered works, and silks, and of Chinese tapestry, rugs, and silks, exemplifies the influence of Oriental ideas. The Orient has been instrumental in providing the inspiration and the themes for the compositions of several Western musicians. In opera, Verdi's *Aida*, Puccini's *Madame Butterfly*, and Saint Saëns's *Samson and Delilah* reflect the Oriental influence, as does Rubinstein's orchestral composition, *Second ("Ocean") Symphony*.

The interaction of cultural traits of the Occident and of the Orient forms a basis for an ultimate common world culture. The foundations for a world culture and hence a world society have been in the making for some time. On the surface, a world society may seem to exist, but strong disruptive forces are at work—forces which thus far have been stronger than the unifying forces. Nevertheless, as diffusion of cultural traits among the people of the world continues, the possibility of the eventual creation of a world society increases.

## SUMMARY

The development of a world society centers around the extension of European or Western cultural traits to various parts of the globe. European culture was carried to other areas by political and economic domination and by actual settlement. These settlements in turn became centers of further expansion, carrying Western culture to still more parts of the earth. The extension of European influence took place in general historical movements, each having its own characteristics and each making its own contributions to the development of a foundation for a world society.

The awakening of Europe from its lethargy of medieval times came with the Crusades and the Renaissance. The Commercial Revolution evolving out of the Renaissance brought overseas discoveries and explorations, by which the Europeans came in contact with various areas of the world.

Another important force working toward a world society was the Industrial Revolution. The industrial nations of Europe sought sources of raw materials, markets for finished goods, and opportunities abroad for capital investments. Under laissez-faire influence,

European nations moved toward free trade and international interdependence. This trend, however, was reversed about the middle of the nineteenth century, when economic nationalism began to influence national policies. Thus, during the last half of the nineteenth century, the developments toward the establishment of a world economy were offset to a large extent by the imperialistic policies of European countries and the United States. The imperialism of the West, however, carried Western culture to virtually all parts of the globe. Regardless of the virtues and vices of imperialism, the worldwide expansion of European culture brought the native populations of remote areas into contact with Occidental cultural traits.

The interaction of Western culture and native cultures has laid a possible foundation for a unified world society. This is not to say that such a world society exists as yet. But common cultural traits are found throughout the world, and these traits may form the basis for an eventual world society. Counteracting and disruptive forces, particularly of a political nature, have prevented progress toward a more general exchange of cultural traits than has taken place. The following chapters present the nature of these disruptive forces and, at the same time, indicate that some steps have been taken to foster world unity or a world society.

## QUESTIONS

1. Why may it be said that European culture serves as the common denominator for a world society?
2. In a general way, indicate how European society became dynamic during late medieval times and early modern times.
3. What were the chief characteristics of European expansion during the Commercial Revolution?
4. What were the main contributions of the Industrial Revolution to the development of a world society?
5. Why was mercantilism incompatible with the development of a world society?
6. Why were the advocates of *laissez faire* unable to maintain their program of free trade and economic individualism?
7. What were the reasons for the imperialism of the nineteenth century?
8. Describe the various methods used by the imperialistic nations to gain their needs.
9. Give evidence to illustrate how the diffusion of Western cultural traits has influenced the cultures of non-Western peoples.



10. Indicate briefly how the cultures of non-Western countries have influenced Western culture.

## DISCUSSION

1. "The very nature of the Industrial Revolution was conducive to overseas expansion of the industrialized nations." Explain this statement in some detail.
2. Give evidence to show that a world economy has been developed during the last sixty or seventy years.
3. "Imperialism has been the chief force in the extension of Western culture." Substantiate this statement with ample evidence.
4. Make a list of elements or forces which you consider evidence of the existence of a world society. Make another list of disruptive and counteractive forces which you consider evidence against the existence of a world society.
5. Evaluate this statement: "A world society! Such a society is impossible as long as nationalism prevails as a force in the relations among nations."

## TERMS

**Astrolabe:** An astronomical instrument for observing the position of celestial bodies.

**Byzantine:** Referring or pertaining to the influence of the city of Byzantium (present-day Istanbul) and the surrounding provinces.

**Economic nationalism:** The formulation and execution of policies by a nation to provide economic self-sufficiency regardless of how such policies affect other nations.

**Imperialism:** The policy, practice, or advocacy of seeking or of acquiescing in the extension of the control, dominion, or empire of a nation.

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The foreign policy of any nation centers around the relationships of that nation with other nations, and is, of course, a governmental function. The number of officials engaged in foreign-service work for the United States government has increased markedly throughout our history because of the growing complexity of the world situation. Many interest groups use their strength to influence foreign policy. Laborers and farmers advocated independence for the Philippine Islands because it would eliminate the competition of cheap labor and agricultural products from the islands. Newspapers, munition manufacturers, shipbuilders, military men, businessmen, church groups, and many other groups have been influential in determining the foreign policy of the United States.

Because such groups bring pressure on the government, diplomatic action is often slow and vacillating. Since the government must depend upon popular support and is subject to popular will, especially at election time, it must be cautious about shaping foreign policy until it can determine what the people want or until it can influence public opinion to support measures that the administration advocates. The refusal in 1954 of the government of the United States to participate in the negotiations of an armistice in the war in Indochina illustrates this cautiousness in foreign policy: public opinion had not crystallized on the specific role our nation should play in the Indochina situation.

Some observers contend that the foreign policy of the United States is inconsistent and indistinct in many respects. When our foreign policy is examined in perspective and over long periods of time, however, its principles and outlines are clearly definable.

## BASIC POLICIES IN FOREIGN AFFAIRS

To work out their destiny as a nation, the people of the United States sought to develop a foreign policy that would keep them from becoming embroiled in the conflicts and disturbances of other countries. Thus *isolation* and *nonentanglement with foreign nations* have been a part of the basic foreign policy of the United States. At times, of course, the policy of isolation has been abandoned; circumstances sometimes have made it impossible for the United States to avoid becoming involved in international conflicts. This was the case in the War of 1812 and World Wars I and II.

Another basic foreign policy—*freedom of the seas*—developed from an interest in foreign trade. In time of war, European belligerents usually have placed restrictions upon neutral trade, and the insistence of the United States upon freedom of the seas during European wars was a factor in drawing this nation into war in 1812, 1917, and 1941. In a sense, the principle of freedom of the seas has counteracted the principle of isolationism.

The *Monroe Doctrine* (1823), as a statement of foreign policy, warned European nations to stay out of American affairs and emphasized the policy of isolationism. Basically, the Doctrine was issued to mark out a self-defense plan for the United States, but at the time of its issuance, it gave encouragement to the Latin-American nations that were overthrowing Spanish rule.

The *Open Door policy*<sup>1</sup> was enunciated by United States Secretary of State John Hay in 1899 to protect the commercial interests of the United States in the Far East, particularly in China. The United States took the stand that even though foreign nations had special interests in particular areas of China, other nations should also have the right to carry on trade in those areas—in other words, that the door should be open to all nations under the same conditions. Though the Open Door policy is thought of as applying only to China, its general meaning is that citizens of the United States have a right to take part in trade and industry in a foreign land without restrictions imposed upon them by other foreign powers. This policy has not had the popular support given to the policy of isolation and to the Monroe Doctrine. Trade with China has never been large—1 to 2 per cent of the total foreign trade—and investments there have constituted an even smaller percentage of the total foreign holdings of the people of the United States.

<sup>1</sup> See also Chapter 18, "The United States and the Far East," for a discussion of the Open Door policy.

The United States has promoted *Pan-Americanism* to lessen European influence in Latin America and to bolster the Monroe Doctrine. Pan-Americanism includes the promotion of commercial, political, and cultural relations among all independent nations in the Western Hemisphere, so that peace and security and other common aspirations of these nations may be achieved.

The United States has long supported a policy of *peaceful settlement of international disputes*, even though on occasions it has been involved in war. Following the Civil War, for example, the United States and Great Britain negotiated an arbitration treaty that settled several serious questions threatening to cause war between the two nations. The United States also took an active part in the international peace conferences, which worked for arbitration and disarmament, at The Hague in 1899 and 1907. Many other efforts have been made in the same direction—for example, the United States entered into twenty-five bilateral arbitration treaties in 1908 and 1909 and into eighteen (all with non-American nations) from 1928 to 1931. This country has particularly favored a policy of peaceful settlement of disputes among the American nations. Through the years a number of bilateral arbitration treaties have been made with Latin-American nations, and today a multilateral agreement among all American nations—the Treaty of Pacific Settlement—provides a system for the peaceful settlement of disputes arising between American nations. (See Chapter 17.)

This brief summary of the basic policies in our foreign affairs indicates that the United States does not follow one policy but several policies. Some of these policies are regional in nature: they have been applied to certain areas of the world and not to others. In general, the United States has followed a policy of isolation and nonentanglement in European affairs. Of course, exceptions have occurred—for example, in World War I, isolationism was suspended temporarily. But after the war, the basic isolationist policy reasserted itself. The United States withdrew from European affairs, rejected the League of Nations, and only half-heartedly supported other means of international co-operation for collective security. On the other hand, the United States has not hesitated to pursue an active diplomatic role in Latin America, particularly in the Caribbean area. The Open Door policy has been applied only in the Far East, mainly in China.

The traditional foreign policy of the United States until World War II may be summed up as follows: the United States should stay out of the alliances, *political commitments*, and wars of Europe and Asia; Europe and Asia should stay out of the Western Hemisphere,

although they might keep colonies already established; the United States should not be restricted from expanding in the Western Hemisphere; and the United States should promote trade anywhere in the world where her citizens could trade, in time of war as well as in time of peace.

Having considered the basic policies in foreign affairs, in the remainder of the present chapter we shall deal with the policy of isolation as followed to the time of World War I. In following chapters, we shall consider other basic policies as they are related to the extension of the interests of the United States beyond its own boundaries.

## PREDOMINANCE OF ISOLATION

Geography has influenced the attitude of the people of the United States in world affairs. The two wide oceans separating America from Europe and Asia have brought about a feeling of separation from other parts of the world and have helped to promote a policy of isolation from foreign affairs. This geographical factor was of particular importance during the first decades of national existence because it gave the United States time to build up strength before taking an active part in world affairs.

The existence of vast uninhabited areas close at hand made it possible for the United States to expand on this continent without having to wage costly wars. Because the people of the United States were occupied in conquering a continent in the Western Hemisphere, they were more interested in domestic than in foreign affairs. The development of the natural resources, obtained as new areas were settled, not only absorbed the interest of the people in building up their nation but also contributed to the policy of isolation, since the United States was less dependent upon foreign areas for essential raw materials.

The disturbances in Europe during the first eight or nine decades of our national life (approximately from 1790 to 1870) caused the people of the United States to desire as little political contact with Europe as possible. Europe usually was divided into hostile groups of nations and was preoccupied with its own internal quarrels, a condition which worked to the advantage of the United States, enabling her both to concentrate on domestic affairs and to be free from European interference in building her strength as a nation.

The United States has had relatively weak neighbors during most

of its history. Other powers made a few attempts to get footholds in adjacent territory, but these efforts were unsuccessful. As a result, a large military machine for defense was unnecessary. The lack of a real need for a large military force enabled this country to be relatively free to pursue its own interests at home and to stay out of the numerous squabbles arising among European nations.

### *Washington and Isolation*

When the Americans were fighting for their independence from England, the desire to remain isolated was not so strong as it became later. In fact, the first treaty made by the United States was a treaty of alliance with France in 1778. By the terms of this treaty, France agreed to help the United States win independence from Great Britain, and the United States promised to help France defend her West Indies possessions. The treaty also allowed France to fit out privateers in the United States and to use its ports in disposing of prizes of war captured on the high seas.

The French Revolution, beginning in 1789, soon developed into a war between France and England and her allies. The new French Republic sent Edmund Genet as minister to the United States. Genet began to act under the terms of the treaty of alliance, and the United States faced the issue of determining her obligations to France. Washington's cabinet was divided on the question. Alexander Hamilton, Secretary of the Treasury, held that the treaty, having been made with the French king, who had been deposed, was no longer in effect. On the other hand, Thomas Jefferson, Secretary of State, took the stand that treaties are made between nations and are binding regardless of a change in the type of government. Jefferson's position eventually was accepted as a fundamental principle of international law.

After much deliberation, Washington took the position that the treaty was in effect, but that, because France was waging an offensive war, the terms of the treaty were not binding, since they called for aid only in a defensive war. He issued in April, 1793, a proclamation of neutrality stating that the United States would be "friendly and impartial toward belligerent powers." This proclamation established impartiality in European wars as a precedent which was followed by later Presidents.

The course of neutrality set by Washington was difficult to follow. The wars of the French Revolution, together with the Napoleonic Wars which followed, lasted for more than twenty years. The United

States was the principal neutral nation at the time—a position difficult to maintain. The policy of neutrality or isolation was inextricably bound up with the principle of freedom of the seas, which held that ships and cargoes of neutral powers should not be molested by belligerent powers.

When President Washington retired from office, war was threatening to engulf the United States. It was under such circumstances that he gave his Farewell Address, in which he said:

It is our true policy to steer clear of permanent alliances with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than to private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Washington's warning was against *permanent* alliances. He stated clearly that this nation might "safely trust to *temporary* [italics added] alliances for extraordinary emergencies." Many persons who have used Washington's warning as an argument against alliances overlook his distinction between permanent and temporary alliances and the reasons for his advice. These reasons, given in the Farewell Address, help clarify Washington's stand: "With me, a predominant motive has been to endeavor to gain time for our country to settle and mature its yet recent institutions, and to progress without interruption, to that degree of strength and consistency, which is necessary to give it, humanly speaking, the command of its own fortunes."

### *Jefferson and Isolation*

The policy of isolation established by Washington was strengthened by President Thomas Jefferson. In his first inaugural address, Jefferson summarized the principles by which he would conduct foreign policies in the following words: "Peace, commerce, and honest friendship with all nations, entangling alliances with none." Yet the developments of Jefferson's administration clearly show that he was not averse to entering into alliances with other nations when emergencies arose and when it appeared to him that the interests of the United States could best be protected by doing so.



In 1800, France forced Spain to transfer Louisiana to her. When Jefferson heard of this action, he instructed Robert Livingston, the United States minister to France, to open negotiations for West Florida and New Orleans, acquisition of which would give the United States control of the mouth of the Mississippi River. Jefferson feared that French possession of New Orleans and of the vast region west of the Mississippi would compel the United States to become entangled in European affairs. The United States was a weak nation militarily at the time, and Jefferson knew that England was the only nation that could stop France from getting control of American territory. Jefferson wrote Livingston, when France took over New Orleans, that "... we must marry ourselves to the British fleet and nation."

James Monroe was sent to France to aid Livingston. His instructions were that, if a satisfactory settlement could not be made with France, negotiations should be opened with Great Britain for a treaty of alliance, one term of which should be that neither nation would make peace without the consent of the other. The need for such negotiations disappeared, of course, when France sold the entire province of Louisiana to the United States. Thus, although Jefferson also had warned against entangling alliances, he was willing in an emergency to enter into a close alliance with England.

### *European Wars and Freedom of the Seas*

After a few months' truce, the Napoleonic Wars in Europe were resumed in 1803, and the vexing problems of being a neutral power again faced the United States. Presidents Jefferson and Madison tried in various ways to obtain a recognition of the principle of freedom of the seas, but their efforts were in vain. England was the greater offender. Her naval supremacy permitted her to commit the more serious depredations on American commerce, and she early formed the annoying habit of impressing American seamen into the British navy. The United States finally declared war on Britain, although there were just as good grounds for going to war against France. In this war—the War of 1812—both the United States and France were fighting England, but there was no alliance or co-operation between the United States and France in their war efforts.

Thus, even while attempting to follow a policy of isolation and neutrality, the United States was unable to keep from becoming involved in the war being waged in Europe. The desire to carry on trade in wartime as well as in peacetime—that is, to follow the prin-

States was the principal neutral nation at the time—a position difficult to maintain. The policy of neutrality or isolation was inextricably bound up with the principle of freedom of the seas, which held that ships and cargoes of neutral powers should not be molested by belligerent powers.

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ciple of freedom of the seas—eventually resulted in difficulties and abandonment of isolation and neutrality, at least temporarily. Similar situations have arisen in the twentieth century, though, as we shall discuss in later chapters, the issues which involved the United States in World Wars I and II were much more complex than the endeavor to uphold the principle of freedom of the seas.

By not entering into an alliance with France in fighting the War of 1812, a precedent was established in the foreign policy of the United States. When the United States became involved in the European struggles in 1917 and in 1941, no formal alliances were made with other nations. This nation, however, co-operated with the allied nations, and probably the understandings and co-operative measures undertaken were just as hindering as any terms of a formal alliance might have been.

### *The Monroe Doctrine and Isolation*

The Monroe Doctrine is related closely to the policy of isolation. The occasion for its issuance was the threat of intervention in Latin America by the reactionary powers of Europe. The former colonies of Spain were revolting from Spanish rule and were establishing independent states, most of which had formed republican systems of government. The spread of representative government in any part of the world was obnoxious to the European powers, which had joined together in an effort to suppress any revolutionary or liberal movement on the continent of Europe. This concert of European powers, the most important of which were Austria, Prussia, Russia, and France, was known as the Holy Alliance.

A liberal revolt having broken out in Spain in 1820, the Holy Alliance in 1822 authorized France to send an army into Spain to put down the revolt and to return the reactionary king, Ferdinand VII, to the throne. In discussing the Spanish situation, the question of Spain's lost colonies arose, and France suggested that possibly the European powers might help Spain regain her colonies in Latin America.

Great Britain co-operated with the Holy Alliance until it began to intervene in the internal affairs of various states. She was much perturbed about the possibility of the European powers helping Spain recover her American colonies. The British had built a profitable trade with Latin America and did not want a restoration of Spanish authority, with its close restrictions on foreign commerce.

The British foreign minister, George Canning, proposed that Great Britain and the United States join in preventing European intervention in Latin America. At first President Monroe favored the proposal, but John Quincy Adams, the Secretary of State, opposed joint action on the grounds that the United States alone should object to the interference of European nations by force in America. Adams did not like the part of the British proposal denying to both countries the right to acquire any part of Spanish-American possessions in this hemisphere, since he believed in future expansion of the United States toward the south and west. Adams also looked with disfavor on the secondary part that the United States would play as an ally of Great Britain; as he put it, "as a cockboat in the wake of the British man-of-war."

Adams was able to persuade Monroe that the desired end could be accomplished by the United States acting alone. He pointed out that, to protect their economic interests in Latin America, the British not only would back a United States proposal but also would use their naval power to prevent European intervention in Latin America. Adams carried the day, and President Monroe, in his annual message to Congress on December 2, 1823, stated the principle of foreign policy known as the Monroe Doctrine.

The Monroe Doctrine consists of two main parts. The first deals with the threat of Russian expansion along the northwest coast in pursuit of the fur trade. Monroe stated that since the American continents had attained an independent status, they were no longer open to European colonization. In the second part, which deals with the Latin-American situation, the traditional policy of isolation—that is, that America would keep out of European affairs—is reiterated. The Doctrine then declares that Europe must keep out of American affairs and that the independent states of the Western Hemisphere must be left unmolested to work out their destinies without interference from any European power.

President Monroe based his declaration on the idea of the difference between the American and European political systems—that is, the republican governments in America and the monarchical governments in Europe. He said:

The political system of the allied powers [*the Holy Alliance*] is essentially different . . . from that of America. . . . We owe it therefore to candor, and to the amicable relations existing between the United States and those powers, to declare that we should con-

### *Reasons for the Breakdown of Isolation*

A change in the foreign policy of the United States became evident after 1890. As we have stated, Washington's policy of isolation was designed to keep the new nation free from European entanglements that might distract from building strength at home and especially from expanding on this continent. In a sense, the Monroe Doctrine had the same objectives, since the United States wanted to prevent any outside interference in American affairs. As long as the United States was busy at home, there was little interest in the affairs of other nations which showed no inclination to interfere with the affairs of the United States.

By the last decade of the nineteenth century, however, the era of continental expansion was over. Good, cheap land was no longer available, and the frontier had virtually disappeared. Furthermore, the rapid industrial development after the Civil War had reached the point where there was a surplus of many commodities after the domestic market had been supplied. Quite naturally, industrialists began to look beyond the national borders to market their surplus goods, and businessmen began to investigate the opportunities in foreign lands to supplement their investments at home. Between 1890 and 1900, the value of United States exports rose from \$393 million to nearly \$1,395 million, and foreign investments of the people of the United States increased from an insignificant amount to about \$500 million.

There were other factors working to break down isolation. Church groups had become interested in overseas missionary activities, particularly in the Orient and the Pacific islands. The possibility of carrying on these activities in lands that might come under the jurisdiction of the United States met with hearty approval by many religious groups. Furthermore, there was a national spirit of adventure and a desire to acquire territory. When the last continental frontier had been settled, the champions of adventure and expansion looked abroad for new opportunities.

The people of the United States were influenced also by the extension of control of European nations over overseas areas. During this period of New Imperialism, which had started in the 1880's, European nations endeavored to get control of new markets and sources of raw materials, to discover new fields for the investment of capital, and to acquire territories. The United States needed tropical products, such as rubber, coffee, tea, sugar, and tropical fruits, to sustain

industrial growth, and there was a feeling that other nations would control the sources of such products unless the United States took a part in the New Imperialism. The government of the United States, reflecting public opinion, awoke to the need of promoting trade and investments in two parts of the world—Latin America and the Far East—where rich opportunities still existed. In Latin America, the United States was able to play virtually a lone hand, because Europe was held off by the Monroe Doctrine. In the Far East, however, European and United States policies clashed, and an arrangement of interests had to be made.

### *Evidences of the Breakdown of Isolation*

The change in viewpoint of the people from the position of isolation to a broader internationalism did not come about suddenly. The country was veering around to the new position during the 1880's and 1890's, but it was not until the close of the nineteenth century that the United States definitely became a world power. Several steps indicating a reaching out beyond national borders were taken by this country during the last two decades of the nineteenth century.

**ACTIVITIES OF BLAINE** James G. Blaine, Secretary of State under President James A. Garfield in 1881, was particularly interested in promoting United States interests in Latin America. As was noted previously, there had developed in the United States the belief that a Central American canal should be owned and controlled by the United States alone. Blaine made a blustering demand that the British government give up its rights under the Clayton-Bulwer Treaty of 1850 to a joint control of any canal that might be built across Central America. (England later, of course, did give up her rights under the Clayton-Bulwer Treaty.) Soon after the assassination of President Garfield late in 1881, Blaine resigned as Secretary of State because his policies were not in harmony with those of the new President, Chester A. Arthur.

Blaine served in the same office under President Benjamin Harrison (1889-1893), and the initial step in establishing closer relations with Latin America was taken when the first Pan-American Congress met, on October 2, 1889, at Washington, D.C. (Blaine had started promoting this conference when he was Secretary of State under President Garfield.) A permanent result of this meeting was the establishment of the International Bureau of American Repub-

lies, later reorganized as the Pan-American Union, with headquarters in Washington.

Blaine also thought of the Pacific as a region for future extension of the influence of the United States. He cultivated the friendship of both China and Japan and looked with favor upon a revolution staged by nationals of the United States in Hawaii. The goal of this revolution was annexation to the United States, and a treaty of annexation was signed shortly before Blaine left office. This treaty was never ratified by the Senate, but annexation was accomplished in 1898 by a joint resolution of Congress.

Blaine worked to retain a foothold that the United States had obtained in 1872 in the Samoan Islands. Great Britain and Germany also had interests in the Samoans, and international rivalry was acute. In 1889, at a conference of the three powers in Berlin, a tripartite protectorate was established. The arrangement did not work and was abandoned in 1899. Great Britain withdrew her claims when the other nations recognized her possession of other Pacific islands. The Samoans then were divided between Germany and the United States, the United States obtaining possession of Tutuila, with its fine harbor of Pago Pago.

**ACTIVITIES IN THE CLEVELAND ADMINISTRATION** The handling of the boundary dispute between Venezuela and British Guiana was not only an example of the application of the Monroe Doctrine but also an evidence of the growing strength of the United States. The boundary line between Venezuela and British Guiana had not been fixed definitely and was of little concern to either Venezuela or Great Britain until gold was discovered in the border region. Then both nations laid claim to the border territory. In 1894, the government of the United States expressed the hope that the matter would be arbitrated. The British government refused to arbitrate the entire boundary question but agreed to arbitration within certain specified limits. The British attitude caused President Cleveland and his Secretary of State, Richard Olney, to take an aggressive stand. In a note to the British government, Olney declared that the sovereignty of the United States extended over the entire continent and implied that other nations must deal with the United States in matters respecting the American republics. President Cleveland threatened war, and after some hesitation the British agreed to a plan of arbitration. The Americans boasted of their diplomatic triumph, but actually the British right-about-face was due to the European situa-



tion rather than to the diplomacy of the United States. The Boer War in South Africa was threatening, and England appeared to be without friends in Europe. Circumstances indicated that the future enemy of Great Britain would be Germany rather than the United States. Thereafter, an objective of British diplomacy was to cultivate the friendship of the United States.

**THE SPANISH-AMERICAN WAR** These developments were merely preliminary to the most important step taken by the United States in becoming a world power, with interests and possessions scattered over various parts of the world. The step was taken in Cuba, where for ten years, from 1868 to 1878, the Cubans had been in almost constant revolt against Spanish rule. In 1895, the Cubans renewed their struggle. Atrocities were committed by both Spanish and Cubans in this civil warfare, but the yellow press (newspapers and magazines that make a practice of presenting the sensational aspects of news items) in the United States, led by the Hearst and Pulitzer newspapers, accused the Spaniards of being the sole perpetrators of the atrocities. Considerable sympathy was generated for the "downtrodden and mistreated" Cubans, and some industrialists saw an opportunity to obtain economic advantages in a tropical area.

Through regular diplomatic channels, the government of the United States induced Spain to give up the most brutal methods of putting down the insurrectionists in Cuba. The United States minister to Spain sent word to his government that he was convinced the Spanish government, if given time, would agree to any demands of the United States. Further peaceful negotiations between the two countries developed slowly, particularly after the *Maine*, a battleship of the United States stationed in the Havana harbor on a friendly visit, was destroyed by an explosion on February 15, 1898. On April 9, however, the Spanish government ordered cessation of hostilities in Cuba and gave in to the demands of the United States on virtually every major point.

Nevertheless, two days later President McKinley sent a war message to Congress, and on April 19 Congress passed a resolution declaring Cuba free from Spanish rule and authorizing armed intervention to accomplish this end. This action was equivalent to a declaration of war, since Spain, though a weak nation, was bound to resist. In the war that followed, Spain was entirely outmatched as a military power. Units of the United States fleet destroyed Span-

ish squadrons off Cuba and in Manila harbor in the Philippine Islands, and a few land engagements were fought in Cuba and Puerto Rico. The Spanish government soon found it necessary to ask for peace, and an armistice was signed on August 12. The Spanish-American War sometimes has been called a "needless war," since the diplomacy of the United States had obtained every major demand made on Spain. The war came because the people of the United States wanted war.

The imperialistic sentiment of the country showed itself when peace negotiations got under way. President McKinley interpreted public opinion to mean that he should force Spain not only to lib-

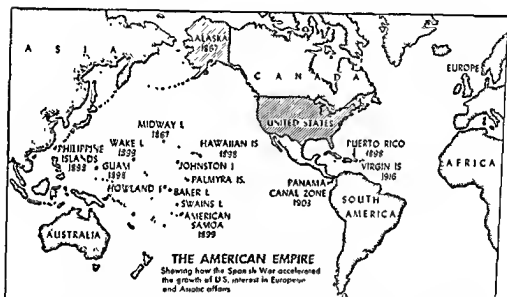


Figure 18. (Adapted from Baldwin, *The Stream of American History*, American Book Co., 1953)

erate Cuba but also to cede the Philippine Islands, Guam, and Puerto Rico to the United States. Conservatives in the United States expressed loud opposition to such a venture into imperialism, but the sentiment of the country was such that the Senate readily ratified the peace treaty containing these acquisitions.

The United States emerged from the war a world power. A European nation had been defeated, and the United States not only had won dominance in the Caribbean but also had acquired possessions far distant from the home territory. Actually, a United States empire definitely had come into existence. By acquiring Hawaii (annexed in the same year as the Spanish-American War), the

Philippine Islands, and lesser islands in the Pacific, the United States entered the Far East and thus had vital interests in that area.

**EXTENSION OF INFLUENCE IN THE CARIBBEAN AREA** After the war with Spain, the United States continued to extend its influence in the Caribbean area. Cuba was placed under a close protectorate in 1901, and two years later the United States obtained considerable control in Panama. Panama revolted from Colombia in 1903, and her independence was recognized immediately by the United States. In a treaty with Panama, the United States promised protection in return for the right to build a canal across that country. The United States acquired further control in the Caribbean by supervising the finances of some of the nations in the area. In the early part of the twentieth century, for example, Santo Domingo, Nicaragua, and Haiti came under the financial supervision of the United States when they defaulted on their debts to European nations.

### *Reaction to the Breakdown of Isolation*

While the United States was engaged in extending her influence in the Caribbean and Pacific areas, European nations were interested in whether the traditional policy of isolation from European affairs would be continued or would be abandoned for a policy of taking an active interest in affairs all over the world. European affairs were approaching a crisis during the first decade of the twentieth century. The principal powers were divided into two armed camps—the Triple Alliance of Germany, Austria, and Italy; and the Triple Entente of England, France, and Russia. A war starting anywhere might easily sweep over the world. Attempts at the Hague Peace Conferences (1899 and 1907) to establish means of settling disputes by arbitration and to reduce armaments accomplished little. Though the United States sent delegates to both Conferences and generally approved of the work done there, the Senate, in ratifying the Second Hague Convention, attached a reservation stating the nation's traditional policy of keeping out of European affairs. Successive "war scares" occurred in Europe in the years between 1900 and 1914, but from these the United States held officially aloof. President Theodore Roosevelt, however, mediated between Russia and Japan to end the Russo-Japanese War (1905–1906), which threatened to engulf other nations. He also worked behind the scenes in the Algeiras Conference in 1906 to bring France and Germany to a compromise of their interests in Morocco, North Africa.

President Theodore Roosevelt's influence in European matters was mostly personal. Before the end of his term of office in 1909, the people of the United States had ceased to be interested in colonies and foreign affairs. Attempts made to extend protectorates in Latin America were blocked in the Senate. Naval construction was not maintained on a relative level with that of the naval powers of Europe, and the United States navy gave up second place to the German fleet.

Even though the situation grew blacker in Europe every year, the people of the United States seemed to lack interest. The naval race between Germany and Great Britain and the narrow escapes from war in Europe apparently meant little to citizens of this country. The two immediate successors of President Theodore Roosevelt were interested in making treaties of arbitration, mediation, and conciliation. Such efforts had no application to a situation where two great armed camps of nations faced each other. The United States seemed to be dropping back into the traditional policy of isolation, and foreign relations were decidedly secondary in public interest.

The United States nevertheless had projected her influence in world affairs to such an extent that she could not insulate herself from events in other parts of the world. The acquisition of a colonial empire as a result of the war with Spain, the proclamation of the Open Door policy, the extension of influence and the establishment of protectorates in Latin America, and the mediation of Theodore Roosevelt in the Russo-Japanese War all were evidences that the United States was a world power and forecast the impossibility that the nation should remain indifferent or neutral in case a war should break out in Europe.

## SUMMARY

In conducting the foreign affairs of our nation, the government has followed several policies, which for the most part are regional. These policies are

- (1) Isolation and *nonentanglement* with foreign nations
- (2) Freedom of the seas
- (3) The Monroe Doctrine
- (4) The Open Door policy
- (5) Pan-Americanism
- (6) Peaceful settlement of international disputes

In our relations with Europe, the policy of isolation has generally been followed, though at times circumstances have been such that this policy has been abandoned, at least temporarily. In the early years of our history, Presidents Washington and Jefferson established precedents of isolation and of neutrality to give the United States an opportunity to grow strong. Geographical conditions also influenced the shaping of the policy of isolation. The United States was protected by two wide oceans, a fact which brought about a feeling of separation from other parts of the world. The vast uninhabited areas on the North American continent gave the people of the United States space to expand and natural resources to use, lessening dependence upon other nations for raw materials. The disturbances in Europe during the first eight or nine decades of our national life also encouraged isolation; they served to sharpen the people's feeling of not wanting to become involved in foreign controversies. Furthermore, since the European nations were occupied with their own troubles, they did not interfere in the Western Hemisphere, thus leaving the United States free to pursue its own domestic interests. Having relatively weak neighbors was another condition that enabled our country to pursue domestic interests, since there was no need to maintain a large military force for protection.

In the early part of the nineteenth century, the colonies of Spain in South and Central America revolted and established independent nations. When the European nations considered helping Spain regain her former possessions, the United States issued the Monroe Doctrine (1823), which became one of the foundations of our foreign policy. This Doctrine restated the policy of isolation and warned European powers against further colonization in the Western Hemisphere and against attempts to interfere in the affairs of any existing independent nation in the hemisphere.

From the time of the issuance of the Monroe Doctrine until the 1890's, the policy of isolation was followed, with only a few exceptions. During the 1890's, the United States took a more active part in world affairs than previously. Economic forces and the influence of the church groups desirous of carrying on missionary activity and of the champions of adventure and territorial expansion brought about this change in foreign policy. Evidences of the change are the Spanish-American War, the acquisition of possessions in the Far East, and the extension of our influence in the Caribbean area. Our interests were centered largely in these regions.

The change in attitude of the United States toward *foreign affairs* was of concern to European nations, since it might mean a change in the traditional isolationist attitude of the United States toward European affairs. In the early twentieth century, European nations were divided into two *armed camps*, and there were unsolved problems likely to lead to war among these nations. Officially, the United States continued to follow the policy of isolation from European affairs, and in general the people were indifferent to the tense international situation in Europe. The United States, however, had become a world power, and *circumstances* eventually would make it impossible for her to remain indifferent to European affairs. This development will be discussed in Chapter 19.

## QUESTIONS

1. Summarize the basic policies followed by the United States in foreign affairs.
2. Give reasons for the strong support of the policy of isolation by the people of the United States.
3. What relation, if any, has existed between the policy of isolation and the policy of freedom of seas?
4. Why has the Open Door policy lacked the popular support that the policy of isolation has received?
5. What was the background for the issuance of the Monroe Doctrine? What are the two main parts of the Doctrine? How is the Monroe Doctrine related to the policy of isolation?
6. List the reasons for the breaking down of the policy of isolation about 1890.
7. How did the United States extend its influence into other parts of the world before 1890? After 1890?
8. Why was the Spanish-American War a turning point in the history of the United States? Give several reasons.

## DISCUSSION

1. "European distress contributed to American success." How is this statement true with respect to United States foreign policy?
2. Do you think that the United States today should follow Washington's and Jefferson's ideas about our relations with foreign nations? Why or why not?
3. "The United States has followed three different foreign policies for the three regions of Latin America, Europe, and the Far East." To what extent is this statement true?

4. Is imperialism justified in the interest of obtaining raw materials for the industrial system of a country? Give reasons for your answer.
5. Why does Professor Samuel Flagg Bemis call the taking of the Philippines "a great aberration"?
6. Do you think that calling the Spanish-American War a "needless war" is a just criticism of our foreign affairs? Why or why not? If it was a "needless war," how do you account for the fact that it did occur?
7. How do you account for the lack of interest that the United States showed about the "war scares" in Europe from 1900 to 1914? By that time, why was it impossible for the United States to insulate herself from events in other parts of the world?

## TERMS

**Boer War (1899-1902):** A war in which Great Britain fought with the Dutch (Boers) in southern Africa. The Union of South Africa was formed after the war.

**Hague Peace Conferences (First and Second):** In 1899 and 1907, international conferences were held at The Hague, the Netherlands, to attempt the establishment of peaceful means of settling international disputes. The most tangible achievement was the setting up of the Hague Tribunal, an international court of arbitration.

**Napoleonic Wars (1799-1815):** The wars in Europe which were fought after the wars of the French Revolution. All countries of Western and Central Europe, as well as Russia, were involved in these wars.

**Pan-American Union:** An organization of the American republics formed early in the twentieth century to foster better relations among these nations. Its headquarters are at Washington, D.C.

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The preceding chapter pointed out that when isolation began to crumble and the United States undertook its imperialistic ventures, opportunities existed for economic and territorial expansion in two areas of the world—Latin America and the Far East. The present chapter considers the former area and the next chapter the latter, with particular reference to the relations of the United States with each area.

For reasons of proximity and national security, the United States has always been interested in Latin America. It was not until the territorial expansion at home had been completed, however, that our people began to think of the Latin-American countries as an area for economic expansion.

We shall discuss some general characteristics of Latin America, the imperialist policies of the United States toward Latin America, and the development of the Good Neighbor policy and hemispheric solidarity.

## A GENERAL VIEW OF LATIN AMERICA

### *Features and Characteristics*

Latin America consists of the portion of the Western Hemisphere extending from the Rio Grande southward to the extreme tip of South America. Although two-thirds of Latin America lies in the tropical zone, mountains and plateaus give a cool, healthful climate in many parts of the area. While the natural wealth of Latin America has been tapped since the early days of the Spanish conquerors, still much of the abundant natural resources remains undeveloped. The exploitation of these vast natural resources has been an important reason for the economic penetration of Latin America by foreign powers.

The people of Latin America are of three racial groups—Indian, Caucasoid (chiefly Spanish and Portuguese), and Negroid. Because of extensive intermingling of the three races, a minimum of racial



Figure 19

prejudice exists. In most of the countries, color of the skin has little bearing on social status.

Although social status is not determined by racial origin, sharp social contrasts based upon wealth are found in nearly every Latin-

American country. The most prevalent form of wealth is land, and therefore ownership of land is the criterion for power and prestige. The landowners, mostly whites, dominate society in almost every country, and the large as well as the small estates are worked by landless peons (tenants and laborers who are perpetually in debt to the landlords), who are looked upon by the landowners as inferiors.

### *Conditions after Gaining Independence*

The Latin-American nations, like other nations, are creations of their past. For 300 years, they were colonies of Spain and Portugal and were rigidly supervised, autocratically governed, and hampered by a multitude of economic regulations and restrictions. Little room was allowed for initiative, self-government, or a sense of the meaning of liberty. Even after the various countries gained their independence, the colonial system continued to influence the economic, social, and political conditions of Latin America until the close of the nineteenth century.

Wealth continued to be concentrated in the hands of a few persons in almost every country, and ownership of land was enjoyed by those who were in advantageous positions. The emphasis upon land ownership was (and still is, to a large extent) basic to the economy of Latin America. Raw materials were produced and exported to industrialized nations, from which the products of industry were purchased. The main goal of the Latin-American economy was then and still is to a considerable extent to produce in abundance and to export. This type of economy is referred to as cash-export specialization, with production concentrated upon one or two products.

A social structure similar to that of colonial times continued after independence had been won. The wealthy landowners and military leaders made up the upper ruling class, and the landless peons, the lower class—there being virtually no middle class. The land-ownership system was the basic reason for widespread poverty and low standards of living, which explain in large part the high rate of infant mortality, the diseases resulting from malnutrition and poor sanitation, and a general lack of energy. The low social status of the poor class caused little consideration to be given to their education—a condition which explains the high rate of illiteracy prevailing during the nineteenth century.

The colonial system also contributed to the unsettled state of political conditions in Latin-American countries after they had gained their independence. The Latin Americans were unprepared to govern themselves, having had no experience in local self-government. The colonial experience of a two-class society—the upper class, those born to rule, and the lower class, those born to obey—influenced the political condition during the nineteenth century and naturally made it difficult to establish democratic institutions. The “new” ruling class, having had little or no experience in governmental administration or procedures, were interested mostly in gaining power and using that power for their own advantage. Consequently, a long period of turmoil and disorder ensued, in which a governing clique would gain power only to be ousted from control by another clique. Usually these changes in government were accompanied by violence, and democratic processes were ignored. Orderly elections were uncommon, and the expression that Latin Americans used “bullets instead of ballots” to conduct their elections was true of many of the countries.

### *Elements of Change*

The conditions in Latin America discussed above may lead one to believe that such conditions prevail today. In some countries they do still exist, but in other countries, important changes have occurred during the twentieth century. Social reform movements have been launched in several countries, particularly in Mexico and Uruguay. These reforms have promoted political democracy, economic democracy, and social improvement. More specifically, the reform movements have been aimed at the breaking up of large estates and redistribution of the land to the bulk of the population, usually Indians; nationalization of mineral resources; reduction of the political and economic influence of the Catholic Church; provision for social welfare; protection of the rights of labor; and encouragement of public education.

Another fundamental change in recent decades has been the spread of industrialism throughout several parts of Latin America. This process was stimulated by World War I, when Latin America was unable to obtain the accustomed industrial products from Europe. This condition encouraged industrialization, particularly in Argentina, Brazil, Chile, and Mexico. Concurrently, improved farm methods, power machinery on the farms, and diversification in agri-

culture were widely adopted. Industrialization and diversification of farming enterprises have been the attempted solutions of the problems of the cash-export specialization economy.

Further changes in Latin America have occurred as a result of the reaction of the people to recent world forces. A result of the defeat of France in World War II and Germany's crushing of small nations has been the lessening of the European cultural appeal. The culture of the United States, on the other hand, has found increasing favor in Latin America. Most important, Latin Americans are paying attention to their own cultural heritage and using their own abilities to solve their problems.

## EARLY RELATIONS OF THE UNITED STATES AND LATIN AMERICA

The relations between the United States and Latin America have undergone considerable change from the time that the Latin-American countries gained their independence to the present. During the Latin Americans' struggle for independence (from about 1810 to about 1830), popular sentiment in the United States favored their efforts to gain freedom from Spain and Portugal. Nothing was done officially by the government of the United States to furnish military aid to the patriots of Latin America, but some citizens of the United States volunteered for service in the patriot armies. When some of the countries won their independence, the United States established regular diplomatic relations with them, thereby recognizing them as sovereign, independent nations. Most of the governments of the newly established nations were patterned after the government of the United States, a fact which pleased the people of this country.

The occasion for the issuance of the Monroe Doctrine was explained in the preceding chapter. The *immediate purpose* of the Monroe Doctrine was to uphold the independence of the new states of Latin America and to prevent Spain and her European allies from reconquering them. The Monroe Doctrine did not explicitly deny the right of territorial expansion of American nations, but it forbade the expansion of European powers into the Western Hemisphere. It was a statement of the foreign policy of the United States alone and was to be enforced by the United States alone. The *underlying purpose* of issuing the Doctrine was to provide a basis for the national security and safety of the United States.

After the announcement of the Monroe Doctrine, the Latin-

American countries turned to the United States as their protector and "big brother," but in a short time they realized that this country was unwilling to play such a role, except to a limited degree. It soon became obvious that the United States was ready to use the Monroe Doctrine for its own advantages, and that the Doctrine did not protect Latin America from the encroachment of the United States. For example, although Texas was a republic at the time that it was annexed to the United States, it had been Mexican territory until 1836, and Mexico had never recognized Texan independence. Also, as a result of the Mexican War (1846-1848), the United States took Mexican territory that today makes up the States of California, Nevada, Arizona, New Mexico, Utah, and Colorado. Furthermore, in 1898, the United States acquired Puerto Rico and subsequently extended its influence in the Caribbean and Central American areas by administering the financial affairs of some nations and by exerting diplomatic and economic pressure in various ways. The consequent unpopularity of the Monroe Doctrine in Latin America can readily be understood.

## IMPERIALISM OF THE UNITED STATES IN LATIN AMERICA

### \* *Bases for Imperialism*

The political instability prevailing in the Latin-American nations had important consequences in their foreign relations. Industrial development in Western Europe and the United States needed increasing amounts of raw materials and new markets in which to sell the finished products. The accumulation of capital accompanied industrial development, and investors were looking for opportunities to put their money where returns would be high. The need for raw materials, new markets, and outlets for capital investment led to economic imperialism, which was described in Chapter 15.

The disorder and weak governments in Latin America encouraged businessmen to bargain for concessions. In some instances, the governments sold concessions for cash in order to fill the pockets of public officials. In others, unscrupulous foreign investors took advantage of the officials and struck hard bargains for loans at high rates of interest. A few investors acted in good faith, providing capital at reasonable rates, only to find that the governments had no intention of fulfilling the terms of their agreements. Often Latin-American governments defaulted in payment of the principal of and even the

interest on their loans, and controversies with foreign investors resulted. The governments of these investors usually interceded for them, so that a great deal of diplomatic correspondence over debt claims was carried on between Western European nations and Latin-American governments. The United States followed the example of other foreign powers in sending diplomatic protests to Latin-American governments when the interests of citizens of the United States were involved.

In addition, the United States acquired territory in the Caribbean area as a result of the Spanish-American War and looked upon that area as a sphere of influence for economic advantages. The island of Puerto Rico was transferred to the United States by Spain.<sup>1</sup> Having aided the Cubans in gaining their independence from Spain, the United States took a special interest in the affairs of Cuba. For a time after the end of the Spanish-American War, the United States used troops and political and economic advisers to stabilize conditions and to help the Cubans prepare for national independence. In 1902, before the island was relinquished to the Cuban people for self-rule, the government of the United States forced the Cubans to add to their constitution the Platt Amendment, which gave to the United States the right to build two naval bases on the island and to intervene in Cuban affairs when it deemed intervention necessary. Such intervention occurred on three different occasions—in 1906, 1912, and 1917. In each instance, United States marines and civilian administrators remained in Cuba for several months; indeed, Cuba was a protectorate of the United States. Later, the right of intervention was extended to some other nations of the Caribbean area—the Dominican Republic, Haiti, Nicaragua—and the whole region became a sphere of influence of the United States.

### *Financial Supervision — the "Big Stick" Policy*

Because some Latin-American governments were financially irresponsible, foreign powers threatened to intervene in their internal affairs. This threat caused the United States to establish supervisory control over financial affairs in many of the Caribbean countries, not only to prevent possible European intervention, but also to protect the interests of United States creditors and investors. The first instance of this nature occurred in 1902 and 1903, when Germany, Italy, and Great Britain blockaded Venezuelan ports and fired upon

<sup>1</sup> In 1952, Puerto Rico was made a free commonwealth and given self-government in internal affairs.

coastal fortifications in an effort to get the dictator of Venezuela to meet the financial obligations he had contracted with the nationals of those countries. President Theodore Roosevelt, becoming suspicious of Germany's intentions, threatened to use force if the claims were not arbitrated. The three creditor powers agreed to submit their claims to an arbitration agency, which brought about a satisfactory settlement.

In the Venezuelan episode, the Monroe Doctrine had been invoked by the United States to prevent European nations from using force to protect the economic interests of their nationals. Accordingly, in the future, the governments of European nations would expect the United States to protect European creditors, as well as her own.

A few months after the Venezuelan affair, a similar situation developed in the Dominican Republic. The Dominican government defaulted on the payment of its debts, and European creditors pressed for a settlement. Watching the situation closely, President Roosevelt in 1904 proclaimed the "Roosevelt Corollary" of the Monroe Doctrine. He stated that chronic wrongdoing on the part of Latin-American governments might force the United States to exercise police power over them. This statement of policy, with its subsequent applications, became known as the "Big Stick" policy because President Roosevelt in referring to his attitude toward Latin-American nations is alleged to have said, "Speak softly, but carry a big stick."

Under the Big Stick policy, the United States in 1916 established financial protectorates over Nicaragua and Haiti. In subsequent years, United States marines were used to back the interests of the United States in the protectorates and to "stabilize" the governments in those countries. The Big Stick policy was an interpretation of the Monroe Doctrine quite different from its original meaning. In addition to being used for its original purpose of keeping European nations from interfering in Latin America, the Monroe Doctrine was used as a means of aggrandizing the commercial and economic interests of the United States.

### *Canal Diplomacy*

Another phase of United States policy in Latin America came as a result of the need for an interoceanic canal across Central America. The voyage of the battleship *Oregon* in 1898, from the coast of



Washington 14,000 miles around Cape Horn to Florida to join the fleet that would operate against the Spanish navy, indicated that a canal was essential to coastal defense. The acquisition of Pacific and Caribbean possessions after the Spanish-American War further increased the need for a canal. In addition, a canal would serve to lower the freight charges on the produce of Western farmers shipped to Eastern markets.

The agreement in the Clayton-Bulwer Treaty of 1850 with Great Britain about an interoceanic canal became increasingly distasteful to the United States. Several attempts were made to have the treaty abrogated, but not until 1901 did Great Britain agree to annul the treaty. At that time, a new treaty—the Hay-Pauncefote Treaty—gave the United States the sole right to build and police a canal.

The next step was to choose a possible route and to obtain the right to construct the canal from the country owning the territory where the canal was to be located. Two possible routes—through Nicaragua and through Panama—were considered. President Roosevelt and some influential Senators were convinced that the Panama route was the better of the two, and Congress enacted a law authorizing purchase of the Panama property from Colombia, which then included Panama.

A treaty was negotiated with Colombia giving the United States canal rights in a zone across Panama for which the United States agreed to pay Colombia \$10 million and an annual rental of \$250,000. The United States Senate ratified the treaty promptly, but the Colombian Senate rejected it because Colombia feared loss of complete sovereignty over the canal zone and wanted more money for canal rights. President Roosevelt was annoyed at Colombia's action and sought other means of obtaining the canal rights. Mysteriously, a quiet revolution was staged in Panama on November 3, 1903. Panama was recognized by the United States as an independent nation on November 6, and a treaty with the Panamanian government was signed on November 16. This treaty gave the United States the right to build and fortify a canal and to possess a zone ten miles wide across the isthmus. It also made Panama a protectorate of the United States. The seizure of the canal zone antagonized not only Colombia but all of Latin America. Later the United States made a payment to Colombia, but Latin Americans could not forget the seizure, and the United States has found it difficult to justify her role in the whole affair.

### *Dollar Diplomacy*

Another type of imperialism of the United States in Latin America—dollar diplomacy—was the use of the office of the Department of State to promote the business interests of citizens of the United States in foreign lands. The government of the United States backed trade and business interests with armed forces, if necessary, to induce Latin-American governments to give concessions to businessmen of the United States. After the concessions were granted, the government of the United States saw to it that the businessmen received the full benefits of the concessions.

From 1890 to 1914, dollar diplomacy directly affected a number of Latin-American countries. The government of the United States often controlled the economic policies of these republics. The extent of dollar diplomacy is indicated by investment of the citizens of the United States in Latin-American countries. By 1914, these investments amounted to approximately \$1.25 billion. In the decade of the 1920's, dollar diplomacy was used to a greater extent than ever before, and by 1929, United States investments totaled about \$5.5 billion. The depression years of the 1930's reduced the flow of dollars to Latin America, but in 1938, on the eve of World War II, more than \$4 billion were invested in Latin-American enterprises. This sum represented about one-third of the total foreign investments of United States citizens.

### *The "Colossus of the North"*

The imperialism of the United States in Latin America caused concern and apprehension among the Latin Americans. If at first they felt grateful for the protection provided by the Monroe Doctrine, their attitude was changed by their fear of what they came to call the "Colossus of the North." To the governments and people of the Latin-American republics, the Americans to the north were "shylocks" and "ruthless exploiters." The Latin Americans believed that, by meddling in their internal affairs, the United States had retarded the development of Latin-American countries and had kept the people in poverty and distress. A favorite term used to refer to the businessmen and traders of the United States was "damned Yanqui." To the Latin American, the United States dollar was followed by the "damned Yanqui," and he brought no good for the Latin American. The government of the United States was con-

sidered a partner in the manipulations of the businessmen, and the feeling prevailed that the Colossus of the North was the nation that did the most harm in Latin America.

## THE GOOD NEIGHBOR POLICY

The interventionist, imperialist policy of the United States in Latin America brought sharp criticism from both Latin Americans and some people in the United States, and a reversal of policy occurred during the 1930's. The new policy is known as the "Good Neighbor" policy.

### *Conditions Promoting the Good Neighbor Policy*

One of the conditions favorable for the inauguration of the Good Neighbor policy was the world-wide condition of foreign trade during the depression of the early 1930's. The volume of foreign trade of the United States was reduced by two-thirds in a short time, and the Latin-American countries lost markets for their goods in many parts of the world. Rebuilding the foreign markets of the United States was a part of the domestic recovery program, and Latin America was considered a favorable area for market expansion. The former vigorous protection of property, investments, and lives of citizens of the United States in Latin America was modified considerably. At the same time, Latin Americans were receptive to the change in policy, because they also wanted to rebuild their foreign trade.

Another world condition contributing to the promotion of the Good Neighbor policy was the collapse of collective security during the period between World War I and World War II. With the growing weakness of the League of Nations and the aggression of ambitious powers in both the Orient and Europe, the Latin-American countries feared that their territory and political independence might be menaced by aggressor nations. When Japan, Italy, and Germany defied the League, the Latin-American nations realized the futility of relying upon a world-wide international organization to provide collective security for their protection from any possible menace of the totalitarian powers. They turned to the United States as the nation that could most readily provide protection, and they became more favorably disposed to rely on collective security through some kind of regional arrangement.

Finally, the promotion of the Good Neighbor policy was aided

by the concern of both the United States and Latin-American countries over the economic and political penetration of Latin America by the dictatorial powers of Europe and Asia. Unless this penetration were checked, the security of the entire Western Hemisphere would be endangered. The United States, therefore, changed its former policy of intervention and imperialism to a new policy of co-operation that fitted into its world-wide policy to stop the spread of fascism. The Latin-American countries responded favorably to this change, for the protection of their own security.

### *The Beginnings of a Change of Policy*

A change in the Latin-American policy of the United States began during the Hoover administration (1929-1933). Marines were withdrawn from Nicaragua, and plans were made for their withdrawal from Haiti. When revolutions occurred in seven of the Latin-American nations during the depression of the early 1930's, the United States did not intervene as formerly.

In 1928, J. Reuben Clark, Undersecretary of State, made a report—the Clark Memorandum—stating that the Monroe Doctrine did not justify intervention of the United States in Latin America. According to Clark, the Doctrine was intended to keep Europe out of American affairs and did not give the United States the right to intervene in the affairs of the Latin-American republics. This report (published in 1930) became the official view of the United States and repudiated the (Theodore) Roosevelt Corollary of the Monroe Doctrine. Making a distinction between the Monroe Doctrine and the interventionist policy laid the groundwork for the Good Neighbor policy.

### *Inauguration and Implementation of the Good Neighbor Policy*

Despite the earlier evidence of a change in the policy toward Latin America, the Good Neighbor policy was not put into effect until the administration of Franklin D. Roosevelt. In his inaugural address in 1933, President Roosevelt defined the Good Neighbor as "... the neighbor who resolutely respects himself, and, because he does so respects the rights of others—the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors." The President committed the United States to such a policy, and later he and his advisers in public statements elaborated the meaning of the Good Neighbor policy.

But statesmen of the United States previously had made state-

ments that this country would change its methods of dealing with Latin-American nations and when the Good Neighbor policy was announced, Latin Americans waited to see whether this profession of good intentions would be followed by performance. In a short time, they realized that the good intentions of the Roosevelt administration were actually being practiced.

In 1933, at the Seventh Pan-American Conference, which met at Montevideo, Uruguay, Secretary Hull signed an agreement with the other American republics to the effect that no state should have the right to intervene in the external or internal affairs of another. In the context of the Montevideo Agreement, Latin Americans accepted the Monroe Doctrine as a means of collaboration and cooperation. The Agreement indicated to them that the United States was sincere in following the position defined in the Clark Memorandum.

Other steps in implementation of the Good Neighbor policy followed rapidly. In 1933, President Roosevelt refused to intervene in a Cuban revolution, despite intense pressure from businessmen having interests in Cuba. It was the first time in three decades that the United States had not interfered in a major uprising in the Caribbean area. At the same time, the last United States marines stationed in Latin America were recalled from Haiti. In the next year, an Export-Import Bank was established to help finance foreign trade. Loans were made by the Bank to Latin-American countries to facilitate trade with the United States. These loans often were made to governments without a demand for economic concessions or extraordinary rates of interest.

During the same year, the Platt Amendment, which had been forced upon Cuba in 1902, was voluntarily abrogated by the government of the United States. This gesture substantiated the Clark Memorandum and the Montevideo Agreement in giving up the right of intervention. Also, in a treaty with Panama signed in 1934, the United States gave up the protectorate rights obtained in 1903. Panama's full independence and sovereignty were recognized. While by this action the United States did not give up the right to protect the Panama Canal, Panama thereafter was recognized as an equal partner in this responsibility.

Although less dramatic than the events discussed, the work of Cordell Hull in sponsoring increased trade with Latin America contributed to friendly relationships. As a result of his efforts, Congress in 1934 passed the Trade Agreements Act. Under the terms

of this Act, reciprocal trade agreements could be negotiated, lowering tariff rates by mutual consent of the contracting parties. Within two years, such agreements had been signed with seven of the Latin-American states. The reciprocal trade treaties and the extension of loans by the Export-Import Bank to Latin-American countries afforded economic aid desperately needed by these countries.

Another indication of the change of policy was the attitude taken toward the Mexican government's expropriation in 1938 of all foreign oil and mineral holdings in Mexico. Oil and mining interests of the United States which had invested heavily in Mexico immediately appealed to the government of the United States when the Mexican government took its action. Instead of bringing pressure to bear upon the Mexican government, the government of the United States indicated that the business interests themselves would have to work out a settlement with the Mexican government. Furthermore, a loan was granted to Mexico, which used part of the funds to pay the United States owners for their losses.

These developments, together with others occurring at the same time, indicated not only an abandonment of United States imperialism but also a willingness on the part of the United States to reinterpret the Monroe Doctrine. The tendency was to make the Monroe Doctrine a multilateral, co-operative doctrine of all the American republics and not the doctrine of the United States alone. The Doctrine apparently has become continentalized.

## HEMISPHERIC SOLIDARITY

### *Provision for Solidarity*

In the 1930's, economic and political penetration of Latin America by the totalitarian powers was a danger to the security of the Latin-American countries and of the United States. Co-operative effort was advocated by statesmen of the American republics as the most effective means of meeting this menace. The Montevideo Agreement of 1933 condemned wars of aggression and provided for collective action against aggressors. In 1936, the American republics, meeting at Buenos Aires, agreed to consult with one another if the peace of the American republics were endangered either by disputes between American nations or by threats from outside the Western Hemisphere. A decision of a similar nature was reached at the Eighth Pan-American Conference, held at Lima, Peru, in 1938. This agreement—the Act of Lima—stated that any danger to the

peace and safety of any American republic was a matter of concern for all American nations. The nations agreed further that their ministers of foreign affairs should consult together if foreign aggression threatened any of them.

### *Implementation of Solidarity*

Within a few weeks after World War II broke out in Europe (September, 1939), the foreign ministers met at Panama to consider the problems facing their countries. They agreed to declare the neutrality of the American republics and designated a neutrality zone in which war vessels of belligerent powers were not to sail. This zone extended from the shores of the Western Hemisphere in both the Atlantic and Pacific Oceans for an average of about 300 miles. In practice, the maintenance of the neutrality zone was impossible, but the action was a collective one to meet a possible menace to the peace and safety of the American nations, and was important as such.

After the conquest of Western Europe by the German military forces early in 1940, the foreign ministers met again, at Havana, Cuba. The primary concern at this meeting was the possible transfer of the American possessions of the conquered European nations to Germany. The foreign ministers took a strong stand in the Act of Havana, which stated that there should be no transfer of American territory from one non-American nation to another non-American nation. Should such a transfer be attempted, any one of the American states or all acting together should occupy the territory and hold it in common for all of them. Several other problems growing out of the European war were considered at Havana. Among these were subversive activity of foreign agents, commercial difficulties, and military co-operation. Decisions calling for co-operative and united action were made on these problems, as well as on others. In a significant declaration—the Declaration of Havana—all of the delegates proclaimed that an act of aggression against one American republic would be considered an act of aggression against all.

The significance of the Declaration of Havana became apparent when the Japanese attacked Pearl Harbor, on December 7, 1941. Within six weeks, the foreign ministers met again, this time at Rio de Janeiro. At the time the meeting convened, about one-half of the American nations were at war with the Axis powers, while the remainder, except Argentina and Chile, sought to break off diplomatic relations. The foreign ministers recommended to their gov-

ernments that those countries not formally at war sever diplomatic and economic relations with the Axis as soon as possible. Within a few days, all of the republics except Argentina and Chile had broken off relations with the Axis countries, and in 1942, Chile was drawn away from Argentina's influence and severed relations with the Axis. This action left Argentina the only American republic outside the co-operative war effort of the American nations.

During the war, Argentina followed a policy of "strict neutrality," a policy supported by the group in power made up of large property owners, strong nationalists, and Axis sympathizers, who were inclined to establish a fascist state. The other American republics were perturbed about Argentina's policy, and it was not until a few months before the end of the war that Argentina yielded to inter-American pressure (and no doubt to the imminent defeat of Germany) to sever relations and declare war on the Axis powers.

The co-operation of the American republics, except Argentina, in the war effort was outstanding. The Latin-American countries supplied vital raw materials to the factories of the United States. They used their military forces to help implement the co-ordinated plan for hemispheric defense and permitted troops of the United States to be stationed at strategic places in their territory. Subversive activities of Axis agents were curbed, Axis assets were frozen—that is, money, property, and other forms of wealth of Axis governments and nationals were seized and held—and Axis vessels in Latin-American ports were taken into custody.

Naturally, problems arose from the need for increased co-operation in the common war effort; closely related to these problems was the maintenance of peace and security within the Western Hemisphere. Argentina did not co-operate with the other American nations and at times assumed a bellicose attitude. Some of her neighbors considered Argentina's attitude a threat to American peace.

In order to consider these and other problems, the foreign ministers met at Chapultepec Castle in Mexico City in February, 1945. At this meeting, they considered the case in which the security and solidarity of the continent might be threatened by the aggressive action of one of the nations of the Western Hemisphere, as well as by an outside power. They agreed that an aggressive act committed by an American nation against another American nation while World War II was in progress would be considered an act of aggression against all other American nations. Arrangements were made to enforce their decision by providing sanctions, such as



breaking off diplomatic and economic relations with, and the use of armed force against, the aggressive nation. The delegates envisaged similar arrangements in the form of a treaty to be applied in time of peace after the end of the war. All these decisions were incorporated into an agreement designated as the Act of Chapultepec.

The immediate purpose of the action of the foreign ministers was to provide a check against Argentina. They made it possible, however, for that country to accept the Act of Chapultepec and invited her to do so and to declare war against the enemy powers. Argentina acted promptly by agreeing to the Act and by declaring war against Japan and Germany.

In the meantime, the Latin-American countries which had not formally declared war on the Axis did so. Thus the members of the American family of nations presented a solid front against internal and external threats to their peace and security while World War II was in progress.

### *Inter-American Organization*

In dealing with their problems during World War II, the leaders of the American states recognized the need for an organization to make their decisions effective. The Pan-American Union, established early in the twentieth century, served as a clearing house for information and as an agency for carrying out decisions made at the International Conferences of American States (commonly referred to as Pan-American Conferences), which met about every five years. But the Pan-American Union had no authority for enforcement, and important decisions made at the International Conferences had to be ratified by each of the twenty-one American republics before they were binding on all the republics.

The question of making inter-American organization more effective was considered at the Mexico City conference of 1945. The immediate question was the future status of the regional organization of the American states in the light of the proposed establishment of a world-wide international organization. By the time of the Mexico City meeting, the United States, Great Britain, and Russia had issued a call for the nations fighting the Axis to meet at San Francisco in April, 1945, to consider a proposed plan for an international organization. (This conference led, of course, to the establishment of the United Nations.)

The delegates at Mexico City desired to preserve their regional arrangement and to tie it in with the anticipated world organiza-

tion. Their attitude was expressed in a resolution as follows: "These Republics desire to make their full contribution, individually and by common action in and through the inter-American system, effectively co-ordinating and harmonizing that system with the General International Organization for the realization of the latter's objectives." This same resolution stressed the importance of "solving controversies and questions of an inter-American character, preferably in accordance with inter-American methods and procedures; in harmony with those of the General International Organization."

When the Charter of the United Nations was adopted at San Francisco, provision was made for relating regional arrangements to the United Nations organization. The Charter provided that members of the United Nations entering into regional arrangements should provide the necessary procedures for attempting settlement of their disputes by regional agencies before referring the disputes to the United Nations.

The Act of Chapultepec had provided the necessary procedures to settle controversies among the American states during the time of World War II. As stated previously, the delegates contemplated providing similar arrangements for the postwar period. Strong regional agencies would also be necessary for compliance with the provisions of the Charter of the United Nations concerning regional arrangements.

After some delay following the end of World War II, the foreign ministers met at Rio de Janeiro in 1947 and framed a treaty—the Inter-American Treaty of Reciprocal Assistance—to provide for maintaining peace and security in the Western Hemisphere. The treaty stated that no rights or obligations of the signatory nations of the Charter of the United Nations would be impaired. Thus the regional arrangement was to fit in carefully with the world organization and was not to supplant it in the Western Hemisphere.

According to the Treaty of Reciprocal Assistance, the American nations are to assist one another if one of them is attacked by a foreign power. If an act of aggression is committed by an American nation against another American nation, the aggressor nation will be called upon to cease its aggression. Upon failure to comply, sanctions will be imposed in the form of severance of diplomatic relations, of complete or partial interruption of economic relations or of sea, air, postal, telegraphic, telephonic, and radio communications, and of the use of armed force.

As the Chapultepec agreement had provided a functioning inter-

American arrangement with enforcement power to protect the security of the Western Hemisphere during the time of war, the Treaty of Reciprocal Assistance established a similar arrangement for peacetime. The Treaty was ratified by all American republics within a short time.

At both the Mexico City (1945) and Rio de Janeiro (1947) conferences, plans were made to strengthen inter-American organization not only for the maintenance of peace and security but also in other common interests and problems. Committees were established to codify existing treaties and other agreements and to study and recommend proposals to make the inter-American organization more effective. These committees reported their proposals to the Ninth International Conference of American States, which met at Bogotá, Colombia, in 1948.

The achievements of the Bogotá conference were comprehensive. Agreements were made about economic relations, political and civil rights of women, formal organization of the American states, and peaceful settlement of disputes. The last two agreements are significant particularly in the matter of regional organization.

The treaty providing for formal organization was framed as the Charter of the Organization of American States. The Charter culminates a half-century of efforts of the American nations to forge an agency for inter-American collective action and designates the rights and duties of the American nations as members of the regional organization. As established by the Charter, the agencies of the Organization of American States (OAS) are:

- 1) *The Inter-American Conference.* The conference convenes every five years, and all twenty-one American republics are entitled to representation at these meetings.
- 2) *The Meeting of Consultation of Ministers of Foreign Affairs.* As the foreign ministers met to consider problems of an inter-American nature during World War II, they now meet to consider problems of an urgent nature, and they serve as an agency of consultation when the need arises.
- 3) *The Council.* This agency is composed of one representative of each member state appointed by its government. The Council deals with any matter referred to it by the Inter-American Conference or the Meeting of Consultation of Ministers of Foreign Affairs and functions continuously. It also co-ordinates the activities of all agencies of the Organization of American States. Three subcouncils serve as agents of the Council: the Inter-American Council of Jurists; the Inter-American Economic and

# ORGANIZATION OF AMERICAN STATES

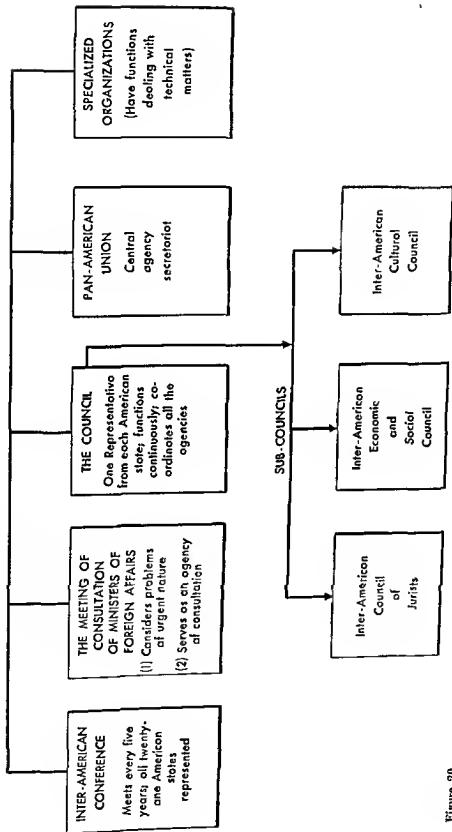


Figure 20

Social Council; and the Inter-American Cultural Council. The names of these subcouncils indicate their functions and duties.

- 4) *The Pan-American Union.* The Union is the central agency and the general secretariat of the Organization. A Secretary-General and his staff carry out the functions assigned to them by other agencies of the Organization. This agency provides staff for other agencies and serves as the clerical department of the Organization.
- 5) *The Specialized Organizations.* The Inter-American Specialized Organizations are the intergovernmental organizations established by multilateral agreements. They have specific functions dealing with technical matters of common interest to the American states. The Specialized Organizations establish co-operative relations with world agencies of the same character to co-ordinate their activities.

For several years, every major inter-American conference had considered the problem of the co-ordination and improvement of existing inter-American treaties for peaceful settlement of disputes. At Bogotá, the delegates consolidated and extended existing peace instruments and improved the inter-American peace structure by the Treaty of Pacific Settlement.

The signatory nations agreed to reaffirm previous commitments and to refrain from the threat or use of force and to settle disputes by peaceful means. The various procedures for dealing with controversies are these: one, *mediation*, by which a party not involved in the dispute arranges to bring the disputants together in an attempt to reach an understanding; two, *conciliation*, by which a commission is established to investigate the dispute and make recommendations to the disputing powers; three, *arbitration*, by which an arbitral tribunal decides the dispute on the basis of evidence that it obtains; and four, *judicial process*, by which cases are submitted to the International Court of Justice of the United Nations for settlement. If these measures fail to bring about agreement among the disputing nations and there is resort to war, the Meeting of Consultation of Foreign Ministers will convene to name the aggressor and invoke the Treaty of Reciprocal Assistance.

The scope and diversity of subjects treated at the Bogotá conference showed the common determination of the American nations to strengthen inter-American co-operation in all fields of common interest. As a result of this and previous conferences, the first regional organization on a large scale was created among nations of the world.

The OAS has been successful in meeting several situations which have threatened the peace of the Western Hemisphere. In 1948, soon after the establishment of the OAS, Costa Rica charged Nicaragua with invading Costa Rican territory. The Council sent an investigating committee to the area, and the committee found both sides at fault. The Council then helped the two countries settle the dispute amicably. In 1949, when tensions arose between the Dominican Republic and Haiti, the Council mediated to bring the two nations to an understanding. During the Korean War, the Meeting of Consultation of Foreign Ministers met in 1951 to plan for strengthening the common defense of the American republics and for meeting the dangers of subversive influences in the Americas.

The threat of communism in the American republics was one of the important matters considered at the Tenth Inter-American Conference, which met at Caracas, Venezuela, in March, 1954. The immediate reason for considering this question was the pro-communist attitude of the government of Guatemala. The delegates at the conference approved a resolution to the effect that the international communist movement provided a threat to the peace of the Americas. The resolution stated:

... the domination or control of the political institutions of any American State by the international communist movement, extending to this Hemisphere the political system of an extra-continental power, would constitute a threat to the sovereignty and political independence of the American States, endangering the peace of America, and would call for a meeting of consultation to consider the adoption of measures in accordance with existing treaties.

A meeting of consultation was not held about the Guatemalan situation because soon after the adjournment of the conference an anti-communist movement in Guatemala overthrew the pro-communist government. The decision of the Caracas conference, of course, applies to any future threat of intervention by the international communist movement and will be invoked when such an occasion arises.

## SUMMARY

Latin America is that portion of the Western Hemisphere extending from the Rio Grande to the southernmost tip of South America. The people of Latin America were under the domination of Euro-

pean nations, particularly Spain and Portugal, for about 300 years, during which time they had no chance to develop self-government, and wealth was concentrated in the hands of the conquerors. The social structure was based in large part on the concentration of wealth in that there was only an upper (wealthy) class and a lower (poor) class. The abundant natural resources attracted the European conquerors and continued to be an inducement for foreign powers to exploit the area.

In the early nineteenth century, the Latin-American nations won their independence, but since then, many of them have experienced political instability. In general, their economy has been one of cash-export specialization; only recently have industrialization and diversified agriculture been developed in some countries. Social reform movements have changed conditions in a few of the nations.

Since its national existence, the United States has shown considerable interest in Latin America. When the Latin Americans were fighting for their independence, the United States government issued the Monroe Doctrine, which was designed immediately to uphold the independence of the Latin-American states but basically to protect the national security of the United States.

The initial interpretation of the Monroe Doctrine by the United States did not deny the United States the right to expand territorially or to follow a policy of economic imperialism in the Western Hemisphere. Territory in Latin America was acquired by conquest, and the United States followed policies of economic imperialism and political intervention in many Latin-American nations, particularly in the *Caribbean area*. Naturally, the Latin Americans reacted unfavorably to these policies and looked upon their northern neighbor as the greedy "Colossus of the North."

Loss of foreign markets in the depression of the 1930's, the collapse of collective security in the world, and the danger of economic and political penetration of Latin America by totalitarian powers of Europe and Asia all helped to bring about a change in policy on the part of the United States and a change in attitude by the Latin Americans.

The Good Neighbor policy, as the new policy is called, has resulted in closer economic and political relationships, and the Monroe Doctrine has been interpreted as a multilateral doctrine of all American republics, not as a unilateral doctrine of the United States.

The value of the change in relations was evident when World War II broke out in Europe in 1939. Steps were taken to defend the

peace and security of the American republics. After the attack on Pearl Harbor in 1941, all the American states except Argentina cooperated in carrying on the war effort and in strengthening their relationships by establishing more effective inter-American agencies than previously. Provision was made to prevent aggression among themselves and to establish means of settling disputes peacefully. A regional organization—the Organization of American States—was created as a means to meet common problems and to promote common interests and aspirations. The inter-American system is the first international regional organization on a large scale.

## QUESTIONS

1. Describe briefly the economic, social, and political features of Latin America.
2. What effect did World War I have upon economic development in Latin America?
3. Why have the people of the United States supported the Monroe Doctrine? Why have Latin Americans at times resented the Monroe Doctrine?
4. What were the reasons for the imperialism of the United States in Latin America?
5. Give several evidences of United States imperialism in Latin America.
6. Why did the United States change its relations with Latin America from a policy of intervention and imperialism to that of the Good Neighbor policy?
7. What evidence can you give to show that a Good Neighbor policy actually has been followed by the United States?
8. What important steps were taken by the American republics in building a hemispheric defense against the totalitarian menace during the 1930's and early 1940's?
9. What provision was made at the Rio de Janeiro conference in 1947 for inter-American collective security against aggression?
10. Summarize the main features of the Charter of Organization of American States and the Treaty of Pacific Settlement that were framed at Bogotá in 1948.

## DISCUSSION

1. Recently an official in the Department of State of the United States government said of the different situations existing in Latin America and the United States: "They have had the handicaps, we the advantages." What do you believe he meant by this statement as it applies to the relations between the United States and Latin America?



2. Why was it advantageous to have followed a Good Neighbor policy toward Latin America when the United States became involved in World War II?
3. What are the distinguishing features of the Good Neighbor policy and of hemispheric solidarity? Are they exclusively policies of the United States or policies of all the American republics?
4. The Organization of American States is a regional international organization. What are some arguments for and against regional international organizations as compared with a world-wide international organization?
5. "The interests of the United States would be benefited more if our country provided greater economic aid to Latin-American countries and less aid to European and Far Eastern countries." What is your evaluation of this statement?

## TERMS

**Multilateral:** In this chapter, a term describing an understanding or treaty participated in by more than two nations.

**Sanctions:** The imposition of penalties upon a nation that has violated former agreements or international law. Usually imposed by an international organization against a nation that has been judged to be an aggressor.

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From the early times of our Republic, the people of the United States have been interested in the Far East. This interest was primarily commercial until possessions were acquired in that area at the close of the nineteenth century. With the acquisition of the Philippine Islands, the United States became even more interested in China and in other areas of the Far East. In supporting the Open Door policy, the government committed this nation to a policy of opposing any nation which would violate the independence, sovereignty, and territorial and administrative integrity of China. The United States desired an equal chance with other nations for trade with China and at the same time showed a friendly attitude toward the Chinese when they were being exploited by European countries. Eventually the commitments of the United States in China ran counter to the imperialistic ambitions of Japan. This clash of interests was a factor in bringing the two nations to an open break in World War II.

## A GENERAL VIEW OF ASIA

### *Features and Characteristics*

Some features of the social and economic conditions in Asia are strikingly characteristic of that area. Population is very dense in many sections of the continent. This condition presented a contrast to the sparsely settled regions of Africa when the Western powers penetrated those regions in their imperialistic ventures. As Western imperialism reached Asia, the foreign powers encountered walls of population, figuratively speaking, whereas in most parts of Africa there were only scattered tribes of natives. Among the Asiatic populations, the Mongoloid race is dominant, but the Caucasoid race inhabits parts of the continent. Many subraces live in the area.

among them the Malayan and Polynesian groups in the southeastern part. The civilizations of Asia are old and mellow as compared with the dynamic civilizations of the West, and the value systems developed in these civilizations are different from those of the West. The Occidental (Westerner) considers the values of the Oriental (Easterner) less "practical" than his own.

The Oriental temperament is expressed in the Hindu, Buddhist, and Confucian religions, which were described in Chapter 7, Volume I, of this book. Orientals in general had not developed a strong sense of nationalism before World War II, when the nationalist spirit became pronounced in many areas. In most of the Asiatic countries, society is composed of an upper class and a lower class, with the extremes of wealth and poverty made more noticeable by the fact that the middle class is small. Poverty is general, and agrarian conditions are quite similar to those under the feudalism of Europe during the Middle Ages. Industrialization and mechanization are generally lacking. For the most part, Asiatics are producers of cheap raw materials. In the areas where Western powers have penetrated, the Orientals have been victims of exploitation, as is nearly always true in the trade between countries producing raw materials and industrialized countries. Hideous factory conditions have prevailed in the few industrial areas, and frightful conditions have existed in the tin mines of Malaya and on the rubber plantations of the East Indies.

### *Japan — a Paradox*

In some respects Japan is typically Asiatic. A dense population and a high birth rate have prevailed there. The people are Mongoloid and are in general adherents of the Shinto and Buddhist religions. The Japanese are characterized by Oriental passivity, placidity, and inscrutability, which the Occidental often calls "sluggishness." As in the rest of Asia, mass poverty and low standards of living exist in Japan, though these conditions have not been as marked as on the continent. In the absence of a large middle class, a few influential families have controlled agriculture, industry, commerce, banking, the army, and the navy.

At the same time, Japan has some Occidental features. The Japanese people have been energetic, aggressive, and practical in their ways of living. A highly developed sense of nationalism has prevailed in Japan, particularly during the twentieth century. Industrialization and mechanization have developed to a greater degree

than in other Asiatic countries. The Japanese have placed great value on education, with a resulting high degree of literacy. Unlike other Asiatic countries, Japan has not been exploited by the Western powers; it became an imperialistic power, exploiting its fellow Asiatics.

## IMPERIALISM OF WESTERN POWERS

When Western powers began their imperialistic penetration of Asia, most of the countries of that continent were agrarian, economically self-sufficient, and feudal. The mass of men were in a position similar to that of the serfs on the manorial estates of medieval Europe, and the rulers were absolute, being regarded indeed as divine. Each of these countries was isolated from the rest of the world and had little desire to make contact with other countries. In our consideration of the Western penetration of the Far East, only passing reference will be made to certain areas of the Asiatic continent and to the Pacific islands. Consideration is given chiefly to Western imperialistic ventures in China and Japan and to the extension of the influence of the United States to the Far East.

The first European power to gain a foothold in the Far East was Portugal. Following the expedition of Vasco da Gama around the Cape of Good Hope to India in 1497-1498, Portuguese traders established trading posts in India, the Malay peninsula, and the Spice Islands (East Indies) during the sixteenth and seventeenth centuries. During the same period, Spain acquired parts of the Philippines and adjacent island groups. Dutch traders also reached the East Indies and eventually expelled the Portuguese from most of these islands. The British and French began to trade with India, and their rivalry led to open clashes that resulted in the French being driven, for all practical purposes, from India in the eighteenth century.

In the nineteenth century, European countries expanded their territorial holdings and influence. The British extended their conquests in India and took Malaya early in the century, establishing a naval base at Singapore. Burma also came under British domination. The French, taking advantage of unstable conditions in Indochina, obtained control of the area after 1870. In the meantime, Russia expanded eastward across Siberia and took the site of Vladivostok in 1860, thereby obtaining a port on the Pacific Ocean.

### *Opening of China*

European powers, particularly Great Britain, had attempted for some time to establish commercial and diplomatic relations with China, but were unsuccessful until the second quarter of the nineteenth century. The unstable situation in China at the time contributed to the opening of that country to Western countries. Able rulers had been followed by weak ones, and organized groups within the country had conspired against the government. The opium problem became increasingly grave. In 1800, the Chinese government forbade the importation of opium, but the trade continued to flourish because of the corruption of customs officials and the resulting ineffectiveness of governmental edicts. British traders were the worst offenders in the illicit trade, and the British government continued to press for trade concessions, often disregarding Chinese jurisdiction and sovereignty.

The situation became critical by 1839, whereupon the two countries went to war. The first Opium War lasted for three years, and in the Treaty of Nanking the British obtained some trade concessions. After an interval of peace, Great Britain, joined by France, again went to war against China, in the second Opium War. The struggle lasted from 1856 to 1858, closing with the Treaty of Tientsin. As a result of the two wars, Great Britain obtained the island of Hong Kong and territory on the Chinese coast opposite that island. The treaty provided for the opening of several Chinese ports to foreign trade and allowed the vessels of foreign nations to use the Yangtze River. Foreigners with passports were permitted to travel in China, and Christian missionaries were allowed to propagate their faith. Further concessions wrested from the Chinese were the right of extraterritoriality and tariff servitudes. Under extraterritoriality, nationals of foreign powers possessed or exercised political rights independently of the native government. For example, the subjects or citizens of a foreign power living in China were not subject to the laws of China but to the laws of their own country. If a foreigner violated a Chinese law, he could not be tried in a Chinese court, but would be tried in a Consular Court established by his government. Tariff servitudes gave the foreign powers the right to regulate customs duties and policies at important ports of China.

The privileges and concessions obtained by Great Britain and France were granted to other European powers and to the United

States. In 1844, two years after the close of the first Opium War, Caleb Cushing, the United States representative in China, obtained a treaty giving his country virtually all the privileges that had been granted to Britain and to other European powers.

A new claimant for spoils in China appeared in the last decade of the nineteenth century, when Japan waged war on China in 1894 and 1895. The defeat of China enabled Japan to take the island of Formosa, the Pescadores Islands, and the Liaotung peninsula, in southern Manchuria. China was forced to renounce her hold on Korea and to grant commercial and extraterritorial concessions to Japan. The Japanese were not allowed, however, to keep all their gains from this war. The European powers interested in China forced Japan to give up the Liaotung peninsula for a money indemnity and to recognize the full independence of Korea. The Western powers then extended their penetration into Chinese territory. Russia obtained a lease on the Liaotung peninsula and a right to build a railroad across Manchuria, enabling her to dominate that area. Germany followed promptly by obtaining economic concessions in the Shantung peninsula. In 1898, Great Britain obtained a lease of Weihaiwei, a naval base, to protect her interests in northern China against growing Russian control. In the same year, France forced China to lease Kwangchow in southern China.

The various leaseholds and concessions obtained by the foreign powers threatened China's sovereignty and independence. The "spheres of influence" were controlled by the Western powers as their own territory, without much regard to the jurisdiction of the Chinese government. The Chinese empire apparently was on the verge of being divided among the European powers in a process similar to that being used in Africa. That China did not meet the same fate as African territory was due in large part to the position taken by the United States when it proclaimed the Open Door policy.

### *Opening of Japan*

As China was being opened to the outside world, Japan also felt the impact of Western culture. Until 1854, Japan was economically self-sufficient and virtually closed to the outside world. The social order was feudalistic, the mass of men being virtual serfs on feudal estates, and loyalty being given to the knights (samurai) and to the feudal lords (daimio). The actual ruler of the country and the head of the feudal system was the shogun, the hereditary prime minister.

The nominal ruler, the Mikado (emperor), was worshiped as the Son of Heaven and recognized as the head of the Japanese native religion, Shintoism. He had little political power and lived the life of a recluse.

The first step in breaking down Japan's isolated position was taken when the government of the United States sent Commodore Matthew C. Perry with a squadron of four ships to induce the Japanese ruler to conclude a treaty to establish trade relations between the two countries. Commodore Perry sailed into the Tokyo harbor on July 7, 1853, and made his desires known to the shogun. Perry then sailed to China, leaving the Japanese officials to discuss his demand for a treaty. The Commodore returned with more ships in February, 1854, and this show of naval strength impressed the Japanese officials sufficiently to bring them to sign the Treaty of Kanagawa. By its terms, foreign vessels were allowed to stop in Japanese ports for provisions, shipwrecked sailors were to receive hospitable treatment in Japan, and two Japanese ports were opened to ships of the United States. Soon afterward, the Japanese gave similar privileges to Russia, Great Britain, and the Netherlands.

The next step in the opening of Japan was the work of Townsend Harris, an agent of the government of the United States, who negotiated a treaty with the shogun in 1858. This treaty provided for the real opening of Japan, not only to the United States but to several European powers as well. More ports were opened to foreign trade, foreign consuls were accepted, and diplomatic representatives of foreign countries were received at Tokyo. Japan agreed further to respect Christianity, to protect foreign property, to grant the right of extraterritoriality, and to allow foreign powers to fix customs duties.

### *Extension of United States Interests*

**ACQUISITION OF TERRITORY** After the opening of Japan, the United States extended her interests in the Far East by acquiring several islands in the Pacific Ocean. In 1867, the Midway Islands, a thousand miles west of Hawaii, were occupied by United States naval forces, and were established as a coaling station for United States ships. As explained in connection with the breakdown of isolationism (Chapter 16), during the 1880's and 1890's one of the Samoan Islands (Tutuila) was obtained by treaty agreements with Germany and Great Britain. Hawaii was annexed by joint resolution of Congress, and the Philippine Islands and Guam were sur-



rendered by Spain as a result of the Spanish-American War in 1898. Simultaneously, the small Pacific outpost of Wake Island was occupied. The Pacific islands acquired by the United States served as "stepping stones" across the Pacific Ocean.

When the United States took possession of the Philippine Islands, the Filipinos had no desire merely to change masters. Armed resistance to control by the United States began in the spring of 1899. Hostilities lasted for three years, requiring the use of 60,000 troops of the United States before the insurrection was quelled. In the United States, the war in the Philippines brought about a strong protest against imperialism. The Jones Act of 1916 pledged that the Filipinos would be given their independence when they had demonstrated their capacity for self-government. This pledge was carried out by the Tydings-McDuffie Act of 1934, which provided that, after a Filipino government and constitution had been established, the United States would gradually relinquish its rule over a period of ten years. By 1946, the terms of the Act had been carried out, and the Philippine Islands became a free and sovereign nation.

**THE OPEN DOOR POLICY** Previous mention has been made of the possible disintegration of the Chinese empire as a result of the European powers' carving out their spheres of influence. With the acquisition of the Philippine Islands, the United States became interested in Chinese trade, and European spheres of influence posed a threat both to the trade between China and the United States and to the value of the Philippines as a colony of the United States. The government saw that the disintegration of China must be prevented if United States interests in the Orient were to be safeguarded. Accordingly, in 1899, John Hay, the Secretary of State, addressed a circular note to the major powers of Europe and to Japan. In this note, he recognized the existence of the spheres of influence but requested from each power a declaration that, in its respective sphere, it would allow the Chinese tariff to apply to all merchandise in such regions and to be collected by the Chinese government. Hay also asked that the powers permit all nations to enjoy the same harbor dues and railroad rates in the spheres of influence.

In replying to Hay's note, each of the powers except Russia acquiesced in the "Open Door" policy in China on the condition that all the powers agree. Russia sent a thinly disguised rejection because she wanted to extend her economic privileges in Man-

churia and Korea. Secretary Hay apparently disregarded Russia's communication and announced that, since the approval of each of the nations was conditioned upon the approval of the others, he considered that all of the nations were in support of the provisions of his note. The spheres of influence continued to exist in China, however, since the Open Door policy dealt only with tariffs, harbor dues, and railroad rates and not with other economic interests, such as investments in mining and railroads and loans to Chinese local governments in the spheres of influence.

As announced, the Open Door policy was concerned with the safeguarding of the commercial interests of the United States in China. Within a few months, a far-reaching modification was made in the policy. The exploitation of China by the great powers had caused deep anger among the Chinese. In 1900, a secret organization called the Boxers attempted to drive the "foreign devils" out of the country. About 300 foreigners were killed, and others were driven into Peking, where they took refuge in the British legation. An international expeditionary force was organized to rescue the beleaguered foreign nationals, with the United States contributing 5,000 soldiers.

Because this episode might develop into a general war, Secretary Hay worked to localize the conflict. He assumed the position of spokesman for the foreign powers by stating the objectives of joint intervention in a note addressed to the other co-operating governments. The note suggested that the foreign powers should work toward (1) establishing permanent safety and peace for China, (2) preserving the territorial and administrative integrity of China, and (3) safeguarding the principle of equal and impartial trade with all parts of China. These objectives were not the ones desired by most of the other intervening powers, but they had no alternative but to concur or be accused of aggressive designs in China. General war was averted, and the besieged foreign nationals were saved. The Boxers were punished, and the Chinese government was forced to pay an indemnity of \$333 million. This amount, estimated to be the cost of the expeditionary force, actually was much in excess of the expense incurred. The United States received about \$24 million, which was about twice the actual cost. One-half of the sum was later refunded to the Chinese government and was used to establish a fund for sending Chinese students to colleges in the United States.

In its full meaning, the Open Door policy involved the commit-

ment of the United States to the protection and preservation of China's independence, territorial integrity, and political sovereignty. It meant that the United States would oppose the domination of China by any foreign power. Though our country nominally held consistently to this policy, in action it followed other policies inconsistent with the commitments contained in the Open Door policy.

## REACTION OF JAPAN AND CHINA TO WESTERN IMPERIALISM

### *Reaction of Japan*

The penetration of Japan and of China by foreign powers at mid-nineteenth century, with the accompanying impact of Western culture on the native cultures, naturally brought a reaction from the Japanese and Chinese governments and peoples. The immediate effect in Japan was anger and resentment toward the foreign powers. There were riots and disorder, with attacks directed particularly toward the foreigners in Japan. In the early 1860's, naval units of European powers and of the United States had to bombard Japanese ports to restore order. Japan faced a crisis that proved to be a turning point in her history. The policy of isolation had broken down, and the alternative, if Japan was to remain an independent nation, would be to make necessary adjustments so as to compete on equal terms with the foreigners.

The result was a revolution in Japanese political, economic, and social life. The mounting anger of the feudal ruling families was directed at the shogun, who was blamed for the penetration of the foreigners. These families rallied around the Mikado and overthrew the shogun, after which the Mikado was called out of seclusion and made actual ruler of the country. This event is known as the Great Restoration, and its date, 1868, is the most important in modern Japanese history.

Then a strange thing happened. The leaders of the conservative revolution, who at first sought to stop the Westernization of Japan, decided to Westernize Japan systematically, as the only means of freeing Japan from the domination of foreign powers. The Japanese adopted machines and institutions of the Western nations and adapted them to Japanese culture. The result was a mixture of feudalism, industrialism, medievalism, militarism, and modernity that made Japan unlike any other nation in the world.

Rapid industrialization and mechanization took place from 1868

to 1900. By 1894, Japan was strong enough to engage in a war with China. To the surprise of the world, Japan was easily the victor. With this war Japan began her career of conquest. The Western powers, because of Japanese strength shown in the war, in 1899 gave up their rights of extraterritoriality and tariff servitudes. Thereafter, Japan was a nation exercising complete sovereign power.

### *Reaction of China*

Japan and China reacted differently to the impact of Western culture. In Japan, the ruling classes led the movement, which was organized from above, was rapid, and was imposed on the nation. In China, the emperor and ruling classes rejected Westernization, mechanization, and industrialization. The impulse to Westernization and industrialization as a means of national regeneration and of freeing China from the Western powers came from the masses organized into a democratic and nationalist movement.

Resentment at the intervention of foreign powers aroused the Chinese people, particularly the enlightened younger Chinese, who agitated for drastic reforms in the government and economy of the nation. During the latter part of the nineteenth century, efforts toward reform were unsuccessful because of the opposition of conservative groups. But the demonstration of Western military superiority in the Boxer Rebellion caused the Chinese to realize that if China were to survive as an independent nation, political and economic reforms and reorganization of their military strength would be necessary.

The history of China during the twentieth century is a record of the conflict between rising Chinese nationalism and the continued impact of foreign imperialism. During the first decades of the century, the old China was dissolved by a civil war and a new China appeared as a result of a cultural revolution led by Dr. Sun Yat-sen, reformer and ardent nationalist. Sun had been educated abroad and had lived in exile a great deal of his lifetime. His talents for political leadership and administrative ability were not so great as his capabilities for reform and for inspiration of the masses. A virtually bloodless revolt under Sun Yat-sen's leadership overthrew the monarchy in 1912, and a republic was established with headquarters at Canton, in the southern part of China.

The conservatives and provincial war lords (military governors, sometimes self-made) refused to accept the authority of the republican government and established a government in northern China

at Peking. The war lord in each province, however, was virtually independent of any other authority. Feeling that a positive program for uniting and reforming China was necessary, the Nationalists, under the leadership of Sun Yat-sen, organized the Kuomintang, or the Nationalist People's Party. The aims of the party were (1) nationalism, (2) political democracy, and (3) social democracy. The Kuomintang sought to lead the Chinese people in developing a true sense of nationalism and in expelling the imperialist powers.

Sun Yat-sen foresaw that years must elapse before China would be ready for a constitutional, democratic government. A period of political education under the party dictatorship of the Kuomintang would be necessary until the Chinese could arrive at the desired stage of constitutional government. Social democracy was to be achieved by making China more economically self-sufficient through a process of industrialization and mechanization and by land reforms, such as breaking up the large estates and distributing the land in small parcels to the Chinese peasants.

When Sun Yat-sen died in 1925, the goals of the revolution had been defined, even though China had experienced about fifteen years of civil war. Chiang Kai-shek, a brother-in-law of Sun Yat-sen, succeeded to the leadership of the Kuomintang. A more practical leader than Sun, he instituted rigorous discipline and organization in the reform movement. Chiang was a soldier and soon had an army strong enough to suppress the war lords. By 1929, Peking was captured from the Chinese war lords, and most of China was under the control of Chiang and the Nationalists. A new capital was set up at Nanking, and the Kuomintang government was recognized by most of the Western nations. Pressure was brought on the foreign nations to give up tariff servitudes. The United States took the lead in granting tariff autonomy to China, with the other nations following her lead. Russia, Germany, and some of the lesser Western nations surrendered the right of extraterritoriality in China.<sup>1</sup>

A rift developed within the ranks of the Kuomintang. A radical element—Communists, urban laborers, small farmers—influenced

<sup>1</sup> In 1943, during World War II, Great Britain and the United States gave up extraterritoriality and other special privileges in China. Thus, after about a century, China had her sovereignty restored to her insofar as the Western powers were involved.

by close relations with the Soviet Union, attempted to establish a Communist regime and invited Russia to give aid to this movement. The conservative members of the party—landlord class, industrialists, bankers, and many army officers—opposed the aims of the radical element and wanted to end the relationship with the Soviet Union. At first Chiang tried to hold the two groups together, but he needed money to finance his program and found that he could obtain financial support from the conservative group only on condition that he oppose the radical program. In 1927, Chiang discriminated against the Communist leaders of the Kuomintang and used his superior military strength against them. Chiang has been severely criticized for not attempting more vigorously to reconcile the aims of the two groups—Nationalists and Communists. His critics say that at the very time he appeared to have united China and freed her from some of the Western servitudes, the civil strife between the Nationalists and Communists caused a retardation of the entire reform and nationalist movement.

At the same time, a greater menace than the civil strife presented itself. Foreign powers had watched with interest the Chinese movement for independence and unity. The leases on the spheres of influence and the concessions that the outside powers had obtained would undoubtedly be canceled by a strong Chinese government. This possible development posed a serious threat to Japanese industrialists and militarists in particular. The expansion of Japanese economy had made it essential that the Chinese markets and resources remain open to Japan. If a strong government were established in China, the exclusion of Japanese commerce and capital investments appeared certain. Hastening their preparations to penetrate and dominate China before the Kuomintang could complete its program, the Japanese struck in 1931 without warning: they invaded Manchuria and set up the puppet state of Manchukuo. This undeclared war deprived China of much valuable territory containing some of the few industrial centers of the country. It also retarded the unification and independence of China at a time when the Western powers had begun their withdrawal. The future of the Chinese republic was jeopardized, because the Japanese planned to place all of East Asia under a "New Order" dominated by Japanese leadership. The subsequent developments had a direct bearing upon Japanese involvement in World War II, which will be discussed in Chapter 22.

## JAPANESE IMPERIALISM

### *Alignment with Western Imperialism*

The undeclared war on China by Japan in 1931 was only one step in a long series of developments in the imperialistic ambitions of Japan. In the process of imperialistic expansion, the policies of Japan and the Western powers toward China at first appeared to coincide. As the Western nations were carving out spheres of influence from Chinese territory, the Japanese were building up their strength at home. By the end of the nineteenth century, Japan was ready to take the first step in extending her influence in China. The victory in the war with China, 1894-1895, demonstrated the strength of Japan and caused the Western nations to recognize Japan as a first-rate power.

The second step in Japan's imperialistic advance was an alliance with Great Britain in 1902, an alliance growing out of the two countries' fear of Russian intentions. The penetration of Russia into Manchuria and her designs on Korea caused the Japanese to look upon Russia as the greatest possible threat to the Asiatic ambitions of Japanese industrialists and militarists. The British also were apprehensive of Russian expansion as a threat to Britain's extensive economic interests in northern China. The United States fully supported the alliance; the people of this country took pride in Japanese modernization as a mark of their influence in the Far East. Terms of the alliance provided that each nation maintain neutrality if the other went to war with one enemy but help if the other were attacked by two or more powers. The treaty gave Japan a diplomatic standing among the great powers in which the Japanese took great pride.

The third step in Japanese imperialism came soon after the completion of the Anglo-Japanese alliance. Encouraged by Great Britain and the United States, Japan attempted to negotiate with Russia for the arrangement of their rival interests in Manchuria and Korea. When negotiations failed, Japan staged a sudden attack upon the Russian forces in the Far East in 1904. To the surprise of the world, Japanese forces inflicted serious defeats on Russian land and naval forces. President Theodore Roosevelt aided in the negotiation of the Treaty of Portsmouth, in 1905, which closed the Russo-Japanese War. This treaty granted to Japan the southern half of the island of Sakhalin and a lease on the Liaotung peninsula, with the harbor of Port Arthur. Southern Manchuria and Korea also were freed from Russian domination.

The Russo-Japanese War provided a model for future Japanese actions. The alert Japanese had seized upon the rivalry of European powers to carry out the successful stroke which aided their imperialistic expansion. Their leaders henceforth watched European events closely, waiting for other favorable opportunities. In the meantime, Korea was annexed in 1910, and the economic penetration of Manchuria was hastened. A favorable situation for the next Japanese advance came during World War I. As an ally of Great Britain, Japan seized the German concessions in China, particularly in the Shantung province, and occupied the Pacific islands owned by Germany. In the peace settlements at the end of World War I, Japan was awarded the German concession in Shantung and the German island possessions north of the equator. The latter included the Pelew, Marshall, Caroline, and Marianas Islands, all of which were held between World Wars I and II by Japan as mandates of the League of Nations.

### *Nationalist Imperialism*

During World War I, Japanese imperialists judged the occasion opportune to strike for the subjugation of China, regardless of how such a policy might affect the interests of Western powers. In 1915, the government of Japan issued the "Twenty-One Demands," which were designed to bring China under the domination of Japan as a protectorate and to launch the Japanese program of a "Monroe Doctrine" for eastern Asia. Spheres of influence and economic concessions were obtained in various parts of China, and in 1916 the policy of penetration was extended, particularly in Manchuria and Inner Mongolia. Chinese protests were futile because of the weakness of the government and the involvement of Western powers in World War I. At the same time, Japan took advantage of the Russian Revolution and the collapse of Russia to invade eastern Siberia (1917-1919).

Recognition by the United States of these moves of Japan came when the Lansing-Ishii agreement was signed on November 2, 1917. Although formally proclaiming that it was supporting the Open Door policy, the United States conceded that Japan had special interests in China. By this agreement, the United States in effect confirmed Japan's claim to a Japanese "Monroe Doctrine" in China and encouraged Japan's extension of further dominance in the Far East. According to the United States Department of State, the Lansing-Ishii agreement was *terminated* in 1921 by the agreements of the Washington Conference, discussed below, but a state-



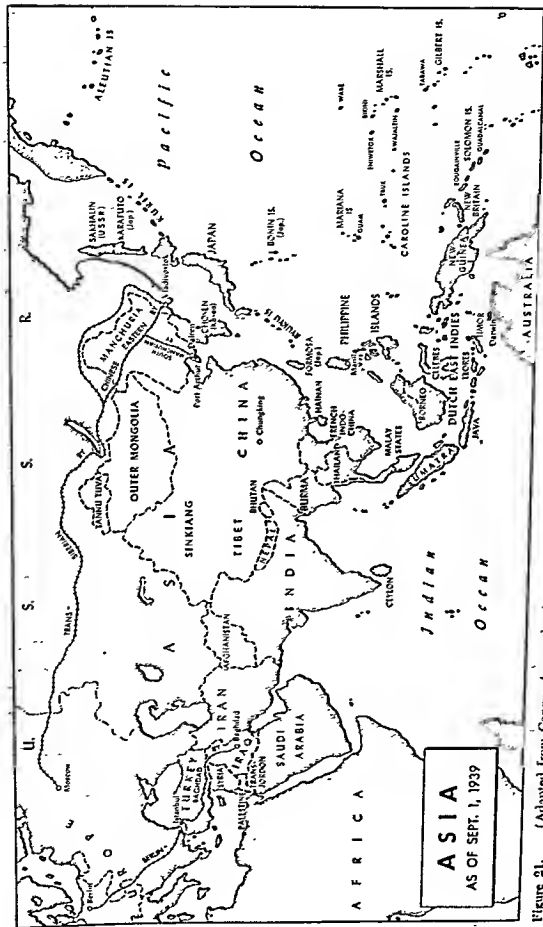


Figure 21. (Adapted from Capon, Across the Ages, American Book Co., 1952)

ment issued by the Japanese Foreign Minister in 1932, after Japan had invaded Manchuria, maintained that the agreement was still in effect.

For a few years after World War I, Japan co-operated in international politics and did not press her advantage in China vigorously. Japanese statesmen in control of the government apparently believed that co-operation and peaceful trade with other nations would provide satisfactory international relations and a basis for their country's economic prosperity. In 1927, however, a change in government occurred when Baron Tanaka, a general of the army, became Prime Minister. Shortly after assuming office, General Tanaka is alleged to have presented a memorial (an official communication) to the Emperor of Japan in which he set forth Japan's blueprint for the conquest of eastern Asia and the Pacific islands. The Tanaka Memorial supposedly outlined plans for the complete control of Manchuria, Mongolia, China, and the islands of the South Pacific. Four years later, Japan struck in Manchuria, thus starting her military conquests, which subsequently became co-ordinated with the aggressions of the European totalitarian powers in World War II.

### *Reaction of Western Powers to Japanese Imperialism*

The success of Japanese imperialism in the Far East appeared to have made her position quite secure after World War I. Control was exercised in one way or another over Shantung, Inner Mongolia, Manchuria, Korea, and the former German islands in the Pacific Ocean north of the equator. In addition, Japan had obtained valuable concessions in China. The increase of power and the apparent designs of Japan alarmed the United States and the British dominions in the Pacific area. Australia and Canada, in particular, were extremely apprehensive of the future extension of Japanese power. Pressure was brought on the British government to allow the Anglo-Japanese alliance to lapse in 1921, when a renewal of the treaty was to be considered. In addition, these dominions persuaded the British government to approach the government of the United States to co-operate in preventing further imperialistic ventures by Japan. The British overtures to the government of the United States came at a good time for two reasons. First, there was an unfriendly feeling toward the Japanese in the United States. This attitude was expressed in discriminatory legislation against the ownership of land by Japanese. Particularly in California, resentment against the

Japanese resulted in denying them the right to hold property and to send their children to schools maintained at public expense. The controversy assumed such proportions that the national government had to intervene before an understanding was reached. In addition, there was widespread resentment against immigration of Japanese laborers and farmers and against Japanese penetration of China, which was considered contrary to the Open Door policy.

A second reason for favorable consideration of the British proposal was the opportunity afforded the United States to take a leading part in working for reduction of naval armaments. The United States had rejected the Covenant of the League of Nations, refraining from joining with other nations of the world in promoting collective security. An opportunity now presented itself for the United States to engage in a positive international policy to realize a phase of collective security that would be in accord with the aims of the League of Nations. Furthermore, Japanese imperialism had been accompanied by a great increase in the Japanese navy. To restrict such expansion and to bring about an understanding among the interested powers in the Far East, the government of the United States invited those powers to a conference at Washington, D. C., in November, 1921.

### *The Washington Conference, 1921-1922*

The Washington Conference was called for two major purposes—limitation of naval armament and a face-saving retreat of the Western powers from the Far East. From the viewpoint of the United States, most of the agreements and understandings by which this country had attempted to get Japan to recognize the Open Door policy had proved worthless. Apparently these agreements could not be enforced except by war, which neither the United States nor the Western nations wanted. If the bilateral agreements could be converted into a multilateral understanding of all interested parties, including Japan, in the Far East, the United States could extract herself from a position which she found difficult to maintain. Such an arrangement would free the United States from the sole responsibility for enforcing the Open Door policy and would make that responsibility a common one for all the nations involved.

Delegates from Great Britain, France, Italy, Japan, Belgium, the Netherlands, Portugal, China, and the United States gathered at Washington. At the opening sessions of the Conference, the United States Secretary of State, Charles E. Hughes, proposed a detailed

plan for placing limits upon naval armament. The United States, Great Britain, Japan, France, and Italy eventually agreed upon a capital-ship (a naval vessel of more than 10,000 tons displacement) ratio of 5-5-3-1.67-1.67 for the five powers in the order named. The scrapping of designated ships was agreed upon, as well as a ten-year naval holiday in the construction of capital ships. Agreement also was reached on limiting the total tonnage of aircraft carriers, but no decision was made about the limitation of such auxiliary craft as cruisers, destroyers, and submarines.<sup>2</sup> In the arrangement for scrapping capital ships, the United States sacrificed most, since she gave up fifteen ships in comparison with seven by Japan and four by Great Britain. Although Japan was not satisfied with the arrangement permitting her a quota only three-fifths as large as that of the other two leading naval powers, the Japanese government ratified the agreement.

A second agreement—the Four Power Treaty—was negotiated at the Washington Conference by the United States, Great Britain, France, and Japan. These nations agreed to respect one another's rights to their insular possessions in the Pacific Ocean and pledged themselves to consult together should any controversy arise over these holdings. In addition, the fortifications in the insular possessions were not to be added to, except that the United States was given the right to strengthen Pearl Harbor, in the Hawaiian Islands.

All the nations represented at the Washington Conference accepted the Nine Power Treaty. By this Treaty, the nations agreed to (1) respect the sovereignty, independence, and territorial integrity of China; (2) use their influence to preserve the Open Door policy; and (3) refrain from taking advantage of conditions in China to seek special privileges that would injure the rights of citizens or subjects of friendly nations.

The Japanese government, in voicing dissatisfaction with the Washington agreements, contended that the naval-armament-limitation arrangement worked to the disadvantage of Japan because the United States and Great Britain were working in close harmony on Pacific affairs and therefore the odds in naval strength were much too heavy against Japan. The course of events in the Pacific during the years following the Washington Conference indicated that the militarists of Japan were determined to overcome supposed disadvantages in various ways. Japan stayed within the treaty lim-

<sup>2</sup> For this phase of the Washington Conference, as well as succeeding naval armament conferences, see Chapter 20, "A Quest for International Security."

Japanese resulted in denying them the right to hold property and to send their children to schools maintained at public expense. The controversy assumed such proportions that the national government had to intervene before an understanding was reached. In addition, there was widespread resentment against immigration of Japanese laborers and farmers and against Japanese penetration of China, which was considered contrary to the Open Door policy.

A second reason for favorable consideration of the British proposal was the opportunity afforded the United States to take a leading part in working for reduction of naval armaments. The United States had rejected the Covenant of the League of Nations, refraining from joining with other nations of the world in promoting collective security. An opportunity now presented itself for the United States to engage in a positive international policy to realize a phase of collective security that would be in accord with the aims of the League of Nations. Furthermore, Japanese imperialism had been accompanied by a great increase in the Japanese navy. To restrict such expansion and to bring about an understanding among the interested powers in the Far East, the government of the United States invited those powers to a conference at Washington, D. C., in November, 1921.

### *The Washington Conference, 1921-1922*

The Washington Conference was called for two major purposes—limitation of naval armament and a face-saving retreat of the Western powers from the Far East. From the viewpoint of the United States, most of the agreements and understandings by which this country had attempted to get Japan to recognize the Open Door policy had proved worthless. Apparently these agreements could not be enforced except by war, which neither the United States nor the Western nations wanted. If the bilateral agreements could be converted into a multilateral understanding of all interested parties, including Japan, in the Far East, the United States could extricate herself from a position which she found difficult to maintain. Such an arrangement would free the United States from the sole responsibility for enforcing the Open Door policy and would make that responsibility a common one for all the nations involved.

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itations on capital-ship strength but launched an extensive building program of cruisers, destroyers, and submarines, and the United States and Great Britain did not keep pace with Japan's new construction in these types of naval vessels. The Four Power Treaty was not adhered to. Japan did not maintain the *status quo* with respect to fortifications on her island possessions; rather, she built some of them into powerful fortresses, as was evident when United States forces attacked those places during World War II. Japan also violated the provisions of the Nine Power Treaty. Instead of respecting the political and territorial integrity of China and using her influence to preserve the Open Door, Japan obtained by various methods special economic and political privileges in China, culminating in actual armed intervention.

## SUMMARY

The penetration of the Far East by Western nations began early in the sixteenth century and continued for the next four centuries. Riches in commerce first lured the European nations to the area; later the desire for territory was a compelling motive for imperialist expansion.

Until the nineteenth century, China and Japan were able to keep themselves aloof from the rest of the world. But by force or the threat of force, Great Britain and the United States provided the entering wedge into China and Japan respectively. Other Western powers soon obtained the same concessions and privileges that had been accorded to the British and Americans. European powers began to carve out spheres of influence for themselves in China and, together with the United States, encroached upon the sovereignty and independence of both China and Japan.

Quite naturally, the Japanese and Chinese reacted to the impact of Western culture upon their own cultures. Japan underwent a fundamental transformation from a medieval to a modern state by adopting Western ways of adjusting to Western influences. Unlike Japan, where the ruling classes led in the adjustment, in China the move had to come from the people, since the ruling classes were conservative and reactionary. Not until the second decade of the twentieth century did a deep-seated cultural revolution occur. Considerable gains were made under the leadership of Sun Yat-sen and Chiang Kai-shek in uniting China and freeing the country from the domination of Western powers.

At a time when China appeared to be successful in attaining many of the goals of the cultural revolution, the menace of Japanese imperialism loomed as a far greater obstacle than the dwindling penetration of Western powers. Encouraged at first by some of the Western nations, Japan rose rapidly as an imperialistic power. Later, Japanese imperialism was feared by Western nations with interests in the Far East, and steps were taken to curb the expansion of Japan on the continent of Asia and in the islands of the Pacific.

The developments in the Far East held an interest for the United States, although not as great an interest as those in Latin America or Europe. The proclamation of the Open Door policy showed that the government of the United States was taking more than a passing interest in Far Eastern affairs. When Japanese imperialism violated the Open Door policy, the United States, together with other Western nations, became apprehensive and attempted to obtain support for the policy by multilateral agreements among all the powers interested in Asiatic affairs. This step was taken in the agreements negotiated at the Washington Conference.

Although Japan protested against the agreements, especially the naval-limitation treaty, Japanese statesmen and militarists were quick to realize the actual meaning of these decisions. They knew that the United States was the only country to take the Open Door commitments seriously; therefore, the United States would be Japan's chief obstacle in carrying out her imperialist policy in China and elsewhere in the Far East. Eventually, developments occurred which necessitated an understanding or a clash between the United States and Japan. Subsequent events made an understanding impossible. This issue in large part caused the United States to become involved directly in World War II.

## QUESTIONS

1. What are some of the characteristics and features of the cultures and people of Asia? In what ways was Japan not typical of Asiatic countries?
2. Describe briefly the imperialism of Western powers in the Far East before the nineteenth century.
3. Why were China and Japan satisfied to live in isolation from the outside world?
4. How were China and Japan opened to the outside world? What were



the rights and privileges forced from China and Japan by the Western powers?

5. Compare the reactions of Japan and of China to the impact of Western culture.
6. What were the reasons for the interest of the United States in the Pacific area during the last part of the nineteenth century?
7. Discuss the steps of the Japanese imperialistic policy in the Far East.
8. How do you account for the growing resentment in the United States against Japan in the period after World War I?
9. What caused the Western powers to become fearful of Japanese imperialism? What effort short of war was made to check the imperialism of Japan?

## DISCUSSION

1. Did the United States make a mistake in acquiring the Philippine Islands? Give reasons for your answer.
2. Since the trade of the United States and the investments of United States citizens in China have been only a fraction of the trade and investments in Europe and Latin America, why has the United States insisted on the Open Door policy in China?
3. The Washington Conference (1921) was important to the future of the Far Eastern policy of the United States for what reasons?
4. Why do you think the United States was willing to sacrifice so much capital-ship strength in the Washington Treaty of 1921?
5. "It was inevitable for the United States to become involved directly in World War II." What evidence relative to the policy of the United States in the Far East can be presented to support this statement?

## TERMS

**Capital ships:** Capital ships are warships of the first rank in point of size, armament, and the like. For the purpose of the naval limitation treaty of the Washington Conference in 1921, a capital ship was defined as "a vessel of war, not an aircraft carrier, whose displacement exceeds 10,000 tons standard displacement or which carries a gun with a caliber exceeding eight inches."

**Integrity (territorial, political, administrative):** With reference to a state or nation, this term means a condition or quality of being complete, undivided, and unbroken.

**Mandates:** The term as used in this chapter refers to territories, formerly colonies of Germany or parts of Turkey, that were administered by a member nation under a commission or order of the League of Nations.

**Puppet state:** A state having its own government but being under the actual control of another state and acting as the latter directs.

**Western servitudes:** A term used to describe the concessions and privileges granted to Western nations by Oriental countries, thereby placing those countries under domination of the Western nations in some respects—for example, fixing tariff rates and harbor dues.

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## 19 WORLD CONFLICT

By the beginning of the twentieth century, the United States had deviated so far from the traditional policy of isolation that to remain aloof from world developments was impossible. Although the people of this country were indifferent to the tensions developing in Europe in the early 1900's, our position in world affairs was such as to make inevitable our involvement in any general European war.

In the present chapter, we shall discuss the European situations which eventually led to world-wide war and the circumstances that brought the United States into the conflict.

### A PARADOXICAL SITUATION

In the last half of the nineteenth century, though the nations of the world, and particularly of Europe, were co-operating in an effort to maintain peace, there existed causes of antagonism and distrust among nations and hindrances to peaceful co-operation. During the early years of the twentieth century, antagonism and distrust increased and eventually overshadowed the co-operative efforts. In the conditions causing antagonism and distrust lay the underlying causes of World War I (1914-1918).

#### *Conditions Promoting Peace*

One of the conditions promoting peace was the development of world trade and economic interdependence among nations. World trade was stimulated by the industrial growth of the nineteenth century. As productivity increased, the need for raw materials and markets promoted world trade, which increased in value from about \$7 billion in 1860 to nearly \$24 billion in 1913. Because raw mat-

rials and markets were sought throughout the world, economic interdependence developed among nations, being facilitated by regional specialization, which in turn promoted the exchange of goods and raw materials. The vast networks of transportation and communication facilities accompanying industrial development also stimulated world trade. Both economic interdependence and world trade promoted peace, since the nations whose business interests engaged in trade benefited economically from peaceful conditions.

Another condition promoting peace was co-operation among nations in dealing with political issues. Representatives of many nations, especially those of Europe, held conferences to discuss and attempt to settle issues of such vital concern to the participating nations that they might have caused war if the nations had not been willing to co-operate. Examples of such conferences are the Congress of Berlin in 1878, at which a settlement over the extension of Russian influence in the Balkan region and the Near East averted war between Russia and her opponents, Great Britain and Austria-Hungary; the Berlin Conference (1884-1885), at which the great powers of Europe agreed on rules regulating the partition of Africa; and the Algeiras Conference of 1906, at which differences between France and Germany over Morocco were settled.

International co-operation along nonpolitical lines also increased during this time. For example, the International Red Cross was formed in 1864, the Universal Telegraph Union in 1865, and the Universal Postal Union in 1874. In these and in other international organizations in religion, science, and other areas, the people of the nations of the world worked together for international co-operation.

The desire for peace was indicated by the widespread interest in creating organizations to work for peaceful relations among nations. Between 1870 and 1914, there were formed more than 150 peace organizations with active memberships. Another evidence of the desire for peace was the two international peace conferences held at The Hague, the Netherlands, in 1899 and 1907. Though attempts at these conferences to limit armaments by international agreement were unsuccessful, other accomplishments were hailed by some advocates of peace as indicating a trend toward permanent peace. The first conference, for example, established a Permanent Court of Arbitration to settle disputes among nations by peaceful means. This Court, not a court in the ordinary meaning of the term, consisted of a list of judges from which nations wishing to do so might select arbitrators for disputes. The Court did not have

compulsory jurisdiction and had no enforcement power. By 1914, nations had used the services of the Hague Court in the settlement of eighteen major and a number of minor disputes.

### *Conditions Hindering the Promotion of Peace and Co-operation*

One of the conditions hindering the promotion of peace and co-operation among nations was the intense nationalist feelings. In the years preceding World War I, two aspects of nationalism made it a constant threat to the peace of the world. First, it was a powerful influence in those nations that had attained national unity. Each nation recognized no authority higher than its own and refused to adopt any agreement which might hinder it from acting according to its own desires. Power became an end in itself, and nations were always ready to use force to attain their ambitions. Although on occasion the European nations did co-operate, this co-operation ordinarily was determined by the self-interest of the nations involved. Second, people with the same cultural background had a strong desire to unite into one independent nation. During the nineteenth century, this nationalist ideal had been attained by some groups. For example, the German Empire had been created, Italy had been united, Belgium had attained complete independence, and the Greek, Serbian, Romanian, and Bulgarian kingdoms had been established. In some parts of Europe, however, national unity had not been attained or had been only partially attained, and the force of nationalism in these places was fundamental in building up antagonism among nations.

The existence of huge national armaments was another condition hindering the development of peaceful relations among nations. However much the nations may have gestured in the direction of relying on arbitration, it was obvious that they still believed it necessary to build up great military and naval strength if they were to maintain positions of power. Although the great powers of Europe (Great Britain, Germany, France, Austria-Hungary, and Russia) did not wage war on one another in the period between 1870 and 1914, it was a period of enormous expenditure for armaments, large standing armies, and huge navies. Western Europe was virtually an armed camp, with each nation trying to maintain as much military and naval strength as any other nation.

In addition to the facts of vast numbers in the armed forces and extensive military and naval equipment, other considerations are important in understanding the part armaments played in promot-

ing war. First, although each nation looked upon its own armed strength as a defensive measure, other nations interpreted it as a preparation for aggression which left them no alternative but to increase their own armaments. Thus international fear and suspicion were built up. Second, statesmen, knowing that great military and naval strength backed them, made strong demands for their nations, and they were more reluctant to make any concession that might be interpreted as a lack of national strength. Third, vast armaments contributed to making the nations military-minded. In the governments, military leaders strongly influenced international policies and, in times of political crisis, tended to dominate the civil authorities. This was especially the case in *Germany, Austria-Hungary, and France*.

Economic imperialism—the struggle to control the economically backward areas of the world—was another condition causing rivalry among nations. Here again we see a paradoxical situation. The need for raw materials and markets promoted trade and economic interdependence, but at the same time, the keen competition among nations for raw materials and markets brought about rivalry to control underdeveloped areas of the world. With the tremendous increase in industrial productivity, industrialists and financiers influenced their governments to acquire colonial empires. To them, colonies would serve as easily accessible sources of raw materials, as monopolistic markets for finished products, and as areas in which surplus funds could be invested. Because the industrial and commercial power of their nations would be increased by the prosperity of their business enterprises, governments, especially those of the great powers, also considered the acquisition of colonies, protectorates, and spheres of influence necessary to the economic welfare of their nations. Thus a struggle developed among nations for possession of the underdeveloped areas of the world. In addition, nations such as Great Britain and France, which already possessed extensive overseas empires, feared that other nations might try to encroach upon those areas.

## INTERNATIONAL DEVELOPMENTS LEADING TO WORLD WAR I

Between 1870 and 1914, international relations were affected by two important developments in Europe. One of these was the rise of Germany to a position of a great power, both politically and indus-

trially. The other was the fact that British seapower was challenged all over the world by other nations. From the early years of the 1800's until the 1880's, British control of the seas had been practically unchallenged. With the development of industrialism and the desire for colonial empires, however, other nations began to build navies large enough to threaten British seapower and prestige as a world power.

One of the basic causes of World War I was the system of rival alliances that developed in the late nineteenth and early twentieth centuries. No nation felt strong enough to rely entirely upon its own military resources for protection. The great powers allied themselves, therefore, with other nations whose interests were most nearly like their own, and two powerful rival alliances—the Triple Alliance and the Triple Entente—developed in Europe. Each combination of powers considered the activities of the other as threats to its own welfare and encouraged its members to develop more military strength. The alliance system had its beginning in the diplomatic actions of Germany to gain a position of power in Europe and in the counterdiplomacy to check the power of Germany and her allies.

### *The Diplomatic Actions of Germany*

The diplomatic actions of Germany began after the defeat of France in the Franco-Prussian War (1870–1871). At that time, the foreign policy of Germany was shaped by Chancellor Otto von Bismarck, who was largely responsible for the unification of the German states and the proclamation of the German Empire in the 1870's. Fearing that the French desire to avenge the defeat and to regain the provinces of Alsace and Lorraine, which had been annexed by Germany, would lead France to form an alliance of nations hostile to Germany, Bismarck directed his major diplomatic efforts at keeping France isolated and deprived of allies. His efforts were successful for twenty years.

The first step in this endeavor was the formation of the *Three Emperors' League* (1873), in which Germany was allied with Russia and Austria-Hungary. The three powers agreed that in the event of a threat of war they would establish "a common line of conduct." For the time, Bismarck felt comparatively safe in this alliance. An alliance between England and France was unlikely, not only because England was following a policy of "splendid" isolation toward continental European affairs, but also because the two nations had

conflicting colonial claims in Africa. Italy, recently unified into a national state, had not developed enough power to be considered important in European diplomatic circles.

The weakness of the Three Emperors' League soon became apparent: Austria-Hungary and Russia were rivals in the Balkan region,

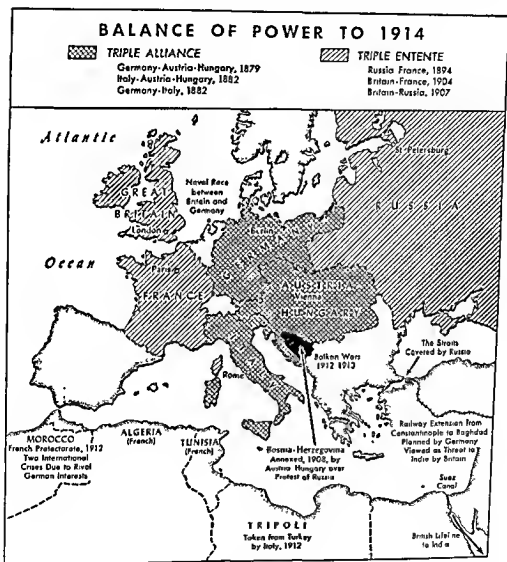


Figure 22

a condition which caused tension between them. The tension flamed into open hostility following the Russo-Turkish War (1877-1878), in which Russia defeated Turkey. In the Treaty of San Stefano, which closed the war, Russia attained a commanding position in the Balkan region, to the annoyance of both Austria-Hungary and



Great Britain. On threat of war from these two powers, Russia agreed to an international conference to revise the treaty. At the conference—the Congress of Berlin—Germany backed Austria-Hungary rather than Russia, and the treaty was revised in the interests of Austria-Hungary and Great Britain. Russia then withdrew from the Three Emperors' League. To safeguard German interests in the event of a Russo-German war, Bismarck made a secret alliance—the *Dual Alliance*—with Austria-Hungary. In this alliance, Germany and Austria-Hungary agreed to give military support to each other if either nation were attacked by another power or combination of powers.

Germany, however, needed the friendship of Russia, if only to prevent an alliance between her and France. Therefore, through Bismarck's efforts, the Three Emperors' League was renewed in 1881; it lasted until 1887, when the rivalry between Austria-Hungary and Russia in the Balkan region made it impossible for them to remain allies. In its place, Germany made the secret *Reinsurance Treaty* with Russia, which pledged the neutrality of each nation in case of war between either nation and another power.

In the meantime, the Dual Alliance between Germany and Austria-Hungary had become the *Triple Alliance* in 1882, when Italy was included. Italy had made advances to the two powers for an alliance because she was concerned about the French occupation of Tunis in North Africa; and Germany and Austria-Hungary were willing to admit her because they wanted to strengthen their position in Europe. This alliance, renewed four times, was in force when World War I broke out in 1914.

In brief, the agreements of the Reinsurance Treaty and the Triple Alliance had the effect of pledging Austria-Hungary, Italy, and Russia not to join France in a war of aggression against Germany. Thus Germany was assured that if France decided on such a move, she would be without allies.

### *Counterdiplomacy*

The alliance system of Germany was disadvantageous to Great Britain and France. If a crisis developed, Austria-Hungary, Italy, and Germany would act together, but the other powers probably would act individually. Russia, bound by the Reinsurance Treaty to remain neutral, would not be in a position to enter into an alliance against Germany. This situation was changed after 1890. When William II became Emperor of Germany, Bismarck was dismissed

as Chancellor, and William allowed the Russo-German Reinsurance Treaty to lapse, making a Franco-Russian alliance possible. France paved the way for such an alliance by making loans to Russia for railroad construction and other industrial expansion. In 1894, the friendship between the two nations developed into a secret defensive *Dual Alliance*. According to its terms, Russia agreed to aid France if that nation were "attacked by Germany, or by Italy supported by Germany," and France agreed to aid Russia if that nation were "attacked by Germany, or by Austria supported by Germany."

Of the great powers of Europe, Great Britain alone remained isolated after the Franco-Russian Dual Alliance. Yet because of the alignment of powers, Britain occupied a position of extreme importance in European diplomacy. The two rival European alliances were approximately equal in power, and the alliance of Great Britain with either group would swing the balance of power in that group's favor. In the 1890's, Great Britain seemingly had more in common with the Triple Alliance powers than with France and Russia, since Great Britain regarded the imperialistic designs of these two nations a threat to the British Empire. A friendly entente (understanding) between Germany and Great Britain seemed likely until the late 1890's, when German industrial development and naval expansion threatened Britain's trade and seapower.

Great Britain adjusted differences with France, and in 1904 the two nations entered into the *Entente Cordiale* (cordial understanding). Although this agreement was not a formal military alliance, it provided for close co-operation in international affairs.

The next step in the counterdiplomacy against the Triple Alliance was the formation of a friendly understanding between Great Britain and Russia. France, allied to both powers, naturally wanted friendly relations between them to strengthen her position against the Triple Alliance. The possibility of such an agreement, however, seemed remote, since the activities of Russia in both the Near East and the Far East threatened the British commercial position in those areas and the security of India, a possession of Great Britain. But developments in international relations made an understanding between the two powers possible. First, the defeat of Russia in the Russo-Japanese War (1904-1905) lessened the threat to the security of India and strengthened the military advantage of the Triple Alliance. Second, British statesmen became convinced that Germany was a greater threat than Russia to the position of Great Britain in the Near East. This change of attitude resulted from the

friendly relations between Germany and Turkey and the plans of Germany to build a Berlin-to-Baghdad railway, which would interfere with British trade in the Near East. Third, Great Britain was alarmed at the continued naval expansion of Germany. In 1907, Great Britain and Russia signed a convention settling their differences. As in the agreement between Great Britain and France, there was no formal alliance. The friendly understandings among the three nations, however, brought about close co-operation, and these nations were designated as the *Triple Entente*.

With the formation of the Triple Entente, the great powers of Europe were aligned into two powerful groups. Each group had alliances or friendly understandings with a number of the lesser European nations and with nations outside of Europe. This system of international alliances was a constant threat to the peace of the world, since each side viewed the other with suspicion, distrust, and fear.

### *Diplomatic Crises*

In the years between 1905 and 1914, there developed several diplomatic crises any one of which might have led to a war involving the major powers of Europe and possibly those of the world. Although a general war did not develop from any of them, the settlements of the controversies created distrust and fear among nations.

The first of these crises, which occurred in 1905 between Germany and France, involved control of Morocco, a comparatively undeveloped area in North Africa. Although Morocco was under the rule of a native sultan, France had plans to make the area a French protectorate and had been assured by Italy and Great Britain that they would not interfere. Germany, however, looked upon Morocco as a possible area for economic expansion, and Emperor William II of Germany publicly demanded that the question of the French position in Morocco be submitted to an international conference. France consented to the conference, since her ally, Russia, not yet recovered from her defeat in the Russo-Japanese War, was unable to give her strong support. At the Algeiras Conference (1906), attended by representatives of the great powers of Europe and the United States, France was supported by Great Britain, Russia, Italy, and the United States, whereas only Austria-Hungary supported Germany. Germany, not prepared to fight a war at that time, yielded, and France was left in a position to continue her influence

in Morocco, since she, along with Spain, was given the right to control a native police force there.

The second crisis, that in the Balkans in 1908, was precipitated when Austria-Hungary formally annexed Bosnia and Herzegovina, two former Turkish provinces populated largely by Slavic people. The two provinces were occupied and administered by Austria-Hungary after the Congress of Berlin (1878), but remained under the sovereignty of the Turkish sultan. The formal annexation angered Serbia, who had hoped to incorporate them into her boundaries. Russia, as an ally of Serbia, was willing to support Serbia until she realized that Austria-Hungary was backed by Germany. Russia and Serbia were forced to recognize the annexation, and the crisis passed without developing into war. The annexation, however, added to the tension in the international situation. Serbian hatred of Austria-Hungary was more bitter than ever. Russia, concerned over the power of the Triple Alliance, intensified her preparations for war and agitated among the Balkan nations against Austria-Hungary and Germany.

The next crisis developed again in Morocco. After the Algeiras Conference, French influence became stronger in Morocco, and in 1911 French troops were sent into the country under pretense of maintaining order. Germany interpreted this move as a step to make Morocco into a French protectorate and sent a gunboat to the Moroccan port of Agadir. Great Britain, fearing that her lines of communication to India and to South Africa might be endangered, supported France. Since neither France nor Germany wanted war, they made an agreement by which Germany gave up all claim to Morocco in exchange for grants of French territory in equatorial Africa. The settlement intensified the bitterness between the two nations; both felt that they had been outmaneuvered and must strengthen their positions to be able to make stronger demands in the future. Also, German statesmen resented the attitude of Great Britain and were more determined than ever to build a navy strong enough to prevent British interference with German plans for imperialistic expansion.

In 1911, another crisis actually developed into war, when Italy established a protectorate over Turkish-controlled Tripoli in northern Africa. The defeat of Turkey in this war (called the Italo-Turkish War) opened the way for the Balkan nations to further their nationalist aspirations by declaring war against a weakened Turkey.

This war against Turkey—the First Balkan War (1912)—was successful for the league of Balkan nations. The victorious nations, however, quarreled over the spoils, and in the Second Balkan War (1913), the former allies fought among themselves. The principal European powers were greatly concerned over the situation in the Balkan region, because each nation wanted to promote and protect its interests there. Russia wanted to gain possession of the Straits of the Bosphorus and the Dardanelles, which were controlled by Turkey, in order to have warm-water outlets to the seas. Thus Russian policy favored the dismemberment of the Turkish Empire and the formation of independent Balkan states, which Russia might influence. Although Great Britain was loosely allied with Russia, she feared that if Russia gained access to the Mediterranean Sea, she would develop naval power in the eastern Mediterranean area strong enough to endanger British control of the Suez Canal and the British line of communication to the Far East. Great Britain, therefore, supported Turkish rule in the Balkans and Turkish control of the Bosphorus and the Dardanelles. German interests in the area, though largely of an economic nature, were nevertheless as great as those of other powers. The German policy was one of friendship with Turkey to gain economic concessions. Austria-Hungary was determined to strengthen her power in the Balkan area and to check the rapidly growing Greater Serbian movement to incorporate all Slavic peoples in the Balkans into one South Slav nation, a movement which endangered a considerable part of the Austro-Hungarian Empire.

The conflict of interests in the Balkan region was not settled by the two Balkan Wars, but two results of the wars affected diplomatic relations in Europe. First, the nationalist desires of the Balkan nations were intensified. Serbia was especially active in developing a propaganda campaign to incorporate the Slavic peoples of Austria-Hungary, especially those of Bosnia and Herzegovina, into a Greater Serbia. Second, the growing power of Germany and Austria-Hungary in the Balkan region caused Great Britain to shift her support to Russia and the Balkan nations, in the conviction that British interests were endangered more by Germany and Austria-Hungary than by Russia.

After the Balkan crisis, the international situation became more tense from day to day. The great powers prepared for war, which they felt was inevitable. While visiting Europe in the spring of 1914, Colonel E. M. House, a statesman from the United States,

wrote: "Everybody's nerves are tense. It only needs a spark to set the whole thing off." The "spark" soon came.

### *The Approach to World War I*

The incident precipitating World War I was largely the result of the intense nationalism of Serbia and the efforts of Austria-Hungary to block the Serbian nationalist aspirations of creating a Greater Serbia. For many years, the Balkan policy of Austria-Hungary had engendered the bitter hatred of Serbia and had caused her to stir up unrest among the Slavic people ruled by Austria-Hungary. The relations between the two nations reached the breaking point on June 28, 1914, when the heir to the Austro-Hungarian throne, Archduke Francis Ferdinand, and his wife were assassinated at Sarajevo, Bosnia, by a Bosnian youth who had been influenced by Serbian propaganda.

The Austro-Hungarian government saw an opportunity for crushing the Serbian-sponsored movement to create a great Slavic nation, and the foreign minister, Leopold von Berchtold, laid his plans carefully. Berchtold placed the entire blame for the assassination on Serbia. Although evidence has since been found that officials in the Serbian army and government had assisted with the plan, Berchtold had no proof of their participation. He proceeded with his plans, however, as if he had definite evidence against Serbia, and made an appeal to Germany for her support.

The German government assured Berchtold that Austria-Hungary would be given a "blank check" on the military power of the German Empire—that is, full support was promised for whatever action Austria-Hungary decided upon. With the assurance of German unconditional support, the Austro-Hungarian government sent an ultimatum to the Serbian government on July 23, deliberately framed in terms so harsh that it would be rejected, and demanded an answer within forty-eight hours. If Serbia accepted the terms of the ultimatum, she would relinquish her hope for a Greater Serbia and submit to the virtual domination of Austria-Hungary.

The Serbian answer was sent within the stipulated time limit, but the demands were not accepted in their entirety. Serbia suggested that the entire problem be submitted to the Permanent Court of Arbitration at The Hague or to a conference of the great powers for settlement. Most of the great powers, including Germany, considered the reply satisfactory, as opening the way for peaceful negotiations. Austria-Hungary, however, refused to consider any answer

satisfactory except unconditional acceptance of the terms, broke off diplomatic relations with Serbia, and started mobilization.

Of the Triple Entente powers, Russia was the most concerned about the controversy between Austria-Hungary and Serbia. Undoubtedly one of the reasons for the extremely belligerent attitude of Austria-Hungary was a conviction that Russia would not intervene in the controversy. Russia, however, realized that her prestige as a leader of the Slavic people would suffer if Serbia were humbled. Furthermore, France had assured Russia of French support. The Russian government was confident that a firm stand on the affair would block drastic action by Austria-Hungary. Therefore, Austria-Hungary was warned that "Russia would not be indifferent to any attempt to humiliate Serbia; Russia could not permit Austria to use menacing language or military measures against Serbia."

Both Germany and Great Britain worked for peaceful negotiation of the controversy, which now definitely involved Russia and, incidentally, France, whose assurances to Russia had made her support a certainty. The British Foreign Minister, Sir Edward Grey, urged a conference of the powers as a means of settling the complicated situation. Although Germany was eager to prevent any crisis that might develop into a general war, she feared that the interests of the Triple Alliance powers would be harmed by such a conference and refused to participate, contending that the dispute concerned only Austria-Hungary and Serbia. The German government, however, did urge Berchtold to consider further the conditions of the ultimatum and the Serbian reply and to negotiate with Russia in order to avoid a general conflict.

The Austro-Hungarian government did not heed the urgings and efforts being made in the interest of peace. Confident that Germany would not retract her original promise of support, Austria-Hungary declared war on Serbia on July 28, and military action commenced the next day. Efforts were made by Germany and Great Britain to "localize" the war. Russia, however, proclaimed general mobilization on July 30, an action that brought a change in the German attitude.

Germany considered Russian mobilization a "threatening state of war." In the event of war with Russia and France, Germany would be forced to fight on two fronts. In the anticipation of such a war, the German military plan was to make an intensive move against France for a quick defeat before Russia had time to mobilize and then direct her entire military strength against Russia. If Russia

were mobilized, this plan would not work. Germany therefore determined to stop the general mobilization program of Russia. The peace efforts of the German government were dropped, and an ultimatum was sent to Russia to revoke the general mobilization order within twelve hours, on threat of German mobilization against her. Russia did not answer, and on August 1, Germany declared war on Russia. Considering the system of alliances, quite naturally the next move involved France. Before the declaration of war on Russia, Germany had asked France what position she would take in the event of war between Germany and Russia. France refused to state her position and began to mobilize. Germany then (August 3) declared war on France.

Events soon brought Great Britain into the war. Although she had friendly understandings with France and Russia, no formal treaties pledged her military and naval support to them. Until August 2, British public opinion strongly opposed Britain's entrance into the European conflict, and the British government did not commit itself to any course of action. On that date, Germany sent an ultimatum to the government of Belgium demanding permission within twelve hours to march troops through Belgium into France and stating that if permission were not given, Belgium would be treated as an enemy nation. The Belgian government refused to grant the request. Though the neutrality of Belgium had been guaranteed by the European powers, including Germany, on August 4, German troops invaded the country. This action threatened an essential principle of British foreign policy—that Belgium should not be occupied by a hostile military power which would endanger Britain's control of the English Channel. When the British government learned of the German invasion, an ultimatum was sent to Germany demanding assurance that Belgian neutrality would be respected and stipulating that if the assurance were not given by midnight of August 4, a state of war would exist between Great Britain and Germany. The assurance was not given, and Germany and Great Britain were at war.

Within the next few days, Austria-Hungary declared war on Russia and France, and Russia, on Austria-Hungary. Thus, with the exception of Italy, all powers in the two alliances for maintenance of the balance of power in Europe were at war. Italy refused to carry out her obligations under the Triple Alliance on the grounds that the terms of the Alliance applied to a defensive war and that Germany and Austria-Hungary were waging offensive war. Other



nations soon were involved, and "the incident" of Sarajevo developed into the general war so long feared by the world.

Austria-Hungary, Germany, Turkey, and Bulgaria were called the "Central Powers" and France, Great Britain, Russia, and their allies the "Allies" or "Allied Powers." Although Italy declared her neutrality in 1914, she entered the war in 1915 on the side of the Allied Powers against her former Triple Alliance partners.

### *Responsibility for the War*

Who was responsible for the war? The answers to this question have been numerous since the late summer of 1914. They vary from statements fixing the exact responsibility to generalizations of widespread responsibility. During the course of the war, each alignment of nations endeavored to fix the responsibility on the other. Each government promoted propaganda campaigns within its boundaries to justify its course of action and to convince its people that the war had been caused by an unprovoked attack upon the nation. When the crisis is considered from the point of view of each nation, each would seem to have sufficient reason for its course of action, but when world-wide effects of the war are considered, no reason seems really "sufficient." Serbia felt that she could not submit to Austro-Hungarian domination; Austria-Hungary was afraid her Empire would be broken up; Germany believed that her "encirclement" by the Triple Entente could lead only to disaster for her; Russia feared loss of prestige; France faced diplomatic isolation if Russia were defeated; and Great Britain felt that she could not allow herself to be put into a position that endangered the British Isles and her Empire. These beliefs and fears caused statesmen and military leaders either to do certain things leading to mobilization and then to war or to fail to do certain things which might have maintained the peace. One historian has written as follows about the statesmen and military leaders of the European nations directly involved in the events preceding the war: "Some of them were cunning, some were cowardly, and some of them were merely stupid. They would have been quite unable to precipitate a world war, had they not been, equally with millions of common people, the more or less willing agents of immense forces which for a generation had been predisposing the civilized world to mortal combat."<sup>1</sup>

The peace conference which followed the war placed the sole

<sup>1</sup> Carlton J. H. Hayes, *A Political and Cultural History of Modern Europe* (New York: The Macmillan Co., 1939), vol. II, p. 578.

responsibility for the war upon Germany and her allies. Since that time, most historians have contended that this viewpoint is no longer defensible. They maintain that all of the nations were responsible in the degree to which the actions of their governments contributed to the distrust and tension building up in the years from 1870 to 1914.

## THE UNITED STATES AND WORLD WAR I

The people of the United States were amazed and stunned by the news of the outbreak of war in Europe. Although the United States had made considerable advance as a world power following the Spanish-American War in 1898, little public attention was given to international politics, and there was little general awareness of the impending dangers in Europe. The peace movement had been well received in the United States, and the people could not believe that war could develop when such peace-promoting projects as the Hague Conferences, the organization of peace societies, and the negotiation of arbitration treaties had taken place so recently. War, however, was a reality. Although the active participation of the United States seemed remote in 1914, events in the next three years led to the entrance of the United States on the side of the Allied Powers as an Associate Power.

### *Neutrality*

On August 4, 1914, President Woodrow Wilson proclaimed the neutrality of the United States. Later in the same month, an appeal was made to the people to be "impartial in thought as well as in action."

Although the determination to remain aloof from the European war was strong, the United States was affected vitally by the war from its beginning. Conditions made it impossible to adhere to the complete neutrality that President Wilson desired. First, the population of the United States included millions of people who were either foreign-born or American-born of foreign parentage. Many of these people had come from the nations involved in the war and soon were emotionally influenced by old loyalties and family relationships. Second, the United States was not only the most powerful neutral nation but also the one most able to furnish food and war supplies to the belligerent nations. Consequently, both the Central Powers and the Allied Powers endeavored to win the sup-

port of the United States. Third, business interests in the United States had commercial and financial relations with every European nation, and particularly with Great Britain and Germany. The protection of these interests became a vital factor in the relations between the United States and the warring nations. Fourth, the close cultural ties between the United States and Great Britain influenced public opinion in favor of the Allied Powers. Fifth, the question of the rights of neutrals involved the United States in trying situations as the opposing nations vied with one another for coveted supplies, and to exclude one another from them.

### *Neutrality and the Allied Powers*

The tradition of neutrality and neutral rights was strong in the society of the United States. Since the time of George Washington's proclamation of neutrality in 1793, the determination to remain aloof from European controversies and entangling alliances had been a part of foreign policy. Although this policy was temporarily abandoned in the War of 1812, the rights of neutrals were instrumental in provoking that war. From that time, the United States had consistently promoted the principle of neutral rights and was active in lessening the power of belligerent nations to interfere with the activities of neutral nations.

When World War I broke out, the international rules governing the rights of neutrals were little more than vague precedents and opinions, many of which had been made obsolete by the methods of modern warfare. Although codes of land and naval warfare were developed in the years immediately preceding the crucial year of 1914, they had not been ratified by all nations. Great Britain and her allies, at the outbreak of war, refused to accept the rules of naval warfare that had been formulated into the Declaration of London in 1909, because they might endanger the command of the seas by the Allied Powers.

The Allied control of the seas made possible an effective blockade of the German ports to cut off direct trade between the United States and Germany. Furthermore, Great Britain interfered with United States ships carrying cargoes destined for neutral ports if the supplies eventually might reach her enemies. Such ships were searched for both military supplies and nonmilitary commodities which might aid the Central Powers in even a limited degree. In addition, the United States mail both to and from Europe was searched, since Great Britain contended that even mail might con-

tain materials that would aid her enemies. The United States, asserting that the rights of neutrals included complete freedom to trade with other nations, denounced British interference as illegal. The protests were in vain and led only to a prolonged dispute with the British government.

Great Britain was convinced that the government of the United States would go no further than protest or press for damages after the war was ended. The favorable attitude of the people of the United States toward the Allied Powers was responsible for the British opinion. Undoubtedly the skillful propaganda of Great Britain in defense of the Allied cause was partially responsible for this favoritism, but not entirely. The cultural ties with Great Britain and friendship with France, traditional since the time of the American Revolutionary War, were powerful forces in convincing the people of the United States of the "rightness" of the Allied cause.

At the same time, many people were suspicious of Germany, a feeling that had been developing since the time of the Spanish-American War. Germany was visualized as a militarist nation, unfriendly to democracy and to the United States. Anti-German sentiment was further stimulated by the violation of Belgian neutrality and the sinking by a German submarine of the *Lusitania*, a British liner carrying citizens of the United States. Business interests also were less enraged by British than by German interference with trade, since from the former they could claim and eventually collect damages. Though the business interests protested against British interference with trade, war orders from the Allied nations more than made up for the loss of orders from the Central Powers and neutral nations. Prosperity resulted from the trade, and since there was no loss of life from the British policy, demands for the respect of neutral rights by England were not pressed to a breaking point.

### *Neutrality and the Central Powers*

The practices of the Allied Powers were annoying and contrary to the established principles of international law regarding the rights of neutrals, but they were overshadowed by the trouble that developed with the Central Powers. Germany was hurt economically by the Allied blockade, and Allied control of the seas made it possible for the Allied Powers to obtain needed military supplies from the United States. At first Germany protested against the feeble attempts of the government of the United States to hold the Allies to the rules of international law and urged that a more force-

ful position be taken. When protests did not bring the desired results, the Central Powers, through their agents and pro-German sympathizers in the United States, instigated sabotage against business interests in the United States that were trading with the Allies. For example, munition plants were destroyed or damaged by explosions, and incendiary fires and bombs were concealed in ships carrying cargoes to the Allied Powers. This, along with the fairly obvious German propaganda campaign, was deeply resented by both the government and the people and only added to the anti-German feeling.

Germany then resorted to the use of submarine warfare as a means of retaliation against the superior Allied seapower. In February, 1915, Germany declared that the waters around the British Isles constituted a "war zone" and announced her intention to destroy every Allied merchant ship within the area without regard to the safety of passengers or crew. Neutral nations were warned that neutral ships in the war zone might accidentally be destroyed. Germany did not deny that sinking unarmed neutral ships was a violation of existing international law but asserted that it was necessary because of the illegal disregard of the rights of neutrals by the Allied Powers. Thus Germany embarked upon a course that eventually led to the entrance of the United States into the war on the side of the Allied Powers.

The government of the United States was more alarmed by the announcement of the unrestricted use of submarines than by the policies of the Allied Powers, because loss of lives as well as of property was involved. A sharp warning was sent to the German government that the United States would hold Germany to a "strict accountability" for "property endangered and lives lost."

In the three months following the German announcement, two United States ships were attacked, one of which was sunk, and a citizen of the United States lost his life when a British steamer was sunk. Germany offered to make reparations but refused to abandon the use of submarines. In May, 1915, tension between the two governments was intensified by the sinking of the *Lusitania* off the coast of Ireland. No warning had been given, and more than 1,100 persons lost their lives, including 128 citizens of the United States. Lengthy negotiations followed the vigorous protests of the United States. The German government, fearful that the protests might lead to open hostility, promised that "liners will not be sunk by our submarines without warning and without safety of the lives of non-

combatants, provided that the liners do not try to escape or offer resistance."

Six months later, March, 1916, an unarmed French liner, the *Sussex*, was torpedoed and sunk without warning by a German submarine. Many citizens of the United States were aboard, and three of them lost their lives. Germany was then warned that if she did not abandon submarine warfare against passenger and freight-carrying vessels, the United States would break off diplomatic relations. Alarmed by the situation, since a diplomatic break would almost certainly lead to war, Germany again made the concession.

Following this promise, relations between Germany and the United States were more friendly than at any time after the outbreak of the war. In January, 1917, however, Germany informed the United States that both armed and unarmed merchant vessels would be sunk in the waters surrounding the British Isles and in the Mediterranean. President Wilson promptly broke off diplomatic relations. In March, the breach became wider when the United States Department of State released to the public the contents of a note from Alfred Zimmermann, the German Foreign Minister, to the German ambassador in Mexico. The so-called Zimmermann note, which had been intercepted by British secret service agents, revealed an offer of the States of Texas, New Mexico, and Arizona to Mexico for her aid if war broke out between the United States and Germany and Germany won. This information intensified the conviction among the people that German militarism was a threat to the United States.

In the same month came news that the autocratic government of the Tsar was overthrown in Russia and that in its place a provisional republican government had been established. The principal Allied Powers were then ruled by popular governments, and to the people of the United States the war had become one in which popular government opposed autocratic government. Following closely on these two events came dispatches of the sinking of three United States ships by German submarines.

President Wilson, realizing that further protests would not be effective, felt that the time had come for more drastic action. Congress was called into special session on April 2, 1917, and on April 6, war was declared on Germany. Although diplomatic relations were immediately broken off with Austria-Hungary, war was not declared against that nation until December 7. No declarations of war were made against Turkey and Bulgaria, the other Central Powers. The

United States did not make formal alliances with the Allied Powers, joining them only as an Associated Power.

World War I ended on November 11, 1918, with the defeat of the Central Powers. On that date an armistice was signed, and the Allied and Associated Powers made plans for a conference to make the treaties of peace and to plan for collective security. These developments will be discussed in the following chapter.

## SUMMARY

In the last half of the nineteenth century, there was a paradoxical situation in international relations. Certain conditions indicated that co-operation among nations would promote peace—for example, a growing world trade and economic interdependence, international conferences to consider political issues, nonpolitical international organizations, and the peace movement. At the same time, conditions hindered the promotion of peace and co-operation—for example, intense nationalism, huge armaments, and economic imperialism. Eventually, these conditions were stronger in determining international relations than those promoting peace, and world conflict resulted.

By the early part of the twentieth century, two powerful alliances—the Triple Alliance and the Triple Entente—had been formed in Europe. The Triple Alliance included Germany, Austria-Hungary, and Italy, which nations agreed to assist one another if any of them were attacked by another nation or a combination of nations. The Triple Entente, composed of Great Britain, France, and Russia, worked in close co-operation in international affairs. Each group of nations distrusted and feared the strength of the other and worked continually to maintain a balance of power in European affairs.

From 1905 to 1914, the nations of the two alliance groups were involved in several diplomatic crises in North Africa and the Balkan region. Although none of these crises developed into a general war among the great powers, the suspicion and fear resulting from them promoted antagonisms likely to result in war, since each nation was determined to protect its own interests. Rivalry in the Balkan region caused the "incident" that immediately led to the outbreak of World War I in July, 1914, but the underlying causes went back to the nationalist aspirations of the nations involved.

The people of the United States apparently had little interest in the diplomatic crises in Europe which immediately preceded World

War I. When war broke out, President Wilson issued a proclamation of neutrality, an action that followed the traditional policy of isolation from European controversies. In general, however, public opinion favored the Allied cause from the beginning of the war.

As the war progressed, the United States became involved in controversies with both the Allied Powers and the Central Powers over the rights of a neutral nation. The Allied Powers blockaded the German ports and cut off the trade between the United States and Germany, and British naval ships stopped United States ships carrying cargoes to the ports of other neutral nations, on the grounds that the goods might reach the Central Powers. Blocked by Allied control of the seas, Germany resorted to unrestricted use of submarines against neutral trade, asserting that such action was necessary because of the illegal disregard of the rights of neutrals by the Allied Powers.

The controversy with Germany over the use of unrestricted submarine warfare overshadowed the controversy with Great Britain over her interference with our trade. After diplomatic efforts to persuade Germany to respect merchant and passenger ships failed, the United States declared war on Germany in April, 1917.

## QUESTIONS

1. Contrast the conditions making for and against world peace and co-operation in the period before World War I.
2. What are some of the reasons for the failure of the peace movement in the early twentieth century to prevent World War I?
3. How did the principle of balance of power show itself in the building of the European alliances previous to World War I?
4. What were the main reasons for the series of diplomatic crises from 1905 to 1914? What prevented these events from developing into a general European war? How did they contribute to the outbreak of World War I?
5. Give some examples of the great powers' playing the game of power politics in the Balkan situation previous to the outbreak of World War I.
6. What do you consider the underlying causes of World War I?
7. What principles of foreign policy did the government of the United States follow when war broke out in Europe in 1914? Did following these principles help to get us into the war? Explain.
8. Before the entrance of the United States in World War I, why was the attitude of the people of the United States more favorable to the cause of the Allied Powers than to the Central Powers?



9. Why was the interference with United States trade by the Allied Powers less obnoxious to the United States than the use of submarine warfare by the Central Powers?
10. What was the effect of the Zimmermann note and of the fall of the Tsarist government in Russia on public opinion in the United States?

## DISCUSSION

1. "A study of nationalism enables one to understand its great spiritual power—a power too dangerous to be free of all restraint." Relate this statement to conditions in Europe from 1870 to 1914.
2. It has been said that at the time of World War I, the world did not want war and the diplomats did not want war. Why, then, was there a war?
3. Was the assassination of the Archduke Francis Ferdinand and his wife the "cause" of World War I? Give reasons for your answer.
4. Let us assume that the responsibility for World War I rests upon the following countries: Austria-Hungary, Great Britain, France, Germany, Russia, and Serbia. What is the degree of responsibility for each of these countries when the underlying or basic causes of war are considered? When the events precipitating the war are considered?
5. In 1916, Woodrow Wilson's re-election to the Presidency of the United States was in part due to the plea that he had "kept us out of war." Do you think this influenced Germany to announce unrestricted submarine warfare again in January, 1917? Why or why not?
6. At the outbreak of World War I, many diplomats of the United States believed that a German victory and an English defeat would have been a major disaster for the United States. How can this point of view be justified?

## TERMS

**Alliance:** A formal agreement between two or more nations providing for military or general assistance to protect the interests of the signatory nations.

**Balkan region before World War I:** The countries of Greece, Serbia, Montenegro, Bulgaria, Romania, and Albania.

**Entente:** An understanding or friendly agreement between nations based upon declarations; not a formal alliance.

**Mobilization:** Act of assembling, equipping, and preparing military and naval forces for active hostilities.

**"Splendid" isolation:** The attitude of Great Britain in remaining formally aloof from continental European affairs during the last part of the nineteenth century.

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At the close of World War I, the hope of mankind was that the war had been fought to "end all wars." This hope was based on the belief that international co-operation and collective security would replace the old rivalry for national interests and rights. There were several indications that peace would prevail, and among these, three were particularly significant. First, an international organization had been established specifically to maintain peace and to provide security. Second, the nations of the world showed an interest in reducing armaments. Third, in 1928, most of the nations renounced war as an instrument of national policy.

In the present chapter, we shall consider the attempts to promote peace and collective security in the period from the end of World War I to the early 1930's. In the chapter following, the economic conditions for the same period will be discussed.

## THE PEACE SETTLEMENTS

### *The Basis for Peace Negotiations*

Before the United States entered World War I, President Woodrow Wilson had offered the services of the United States to mediate between the warring nations on the basis of a "negotiated" rather than an "imposed" peace. Neither the Allied Powers nor the Central Powers considered the offer, each side hoping for a decisive victory. After the United States entered the war, Wilson firmly expressed the belief that a "peace without victory" should follow the war, contending that the war was not against the German people but only against the autocratic and militarist German government.

In January 1917, Wilson, in a speech to Congress on war aims,

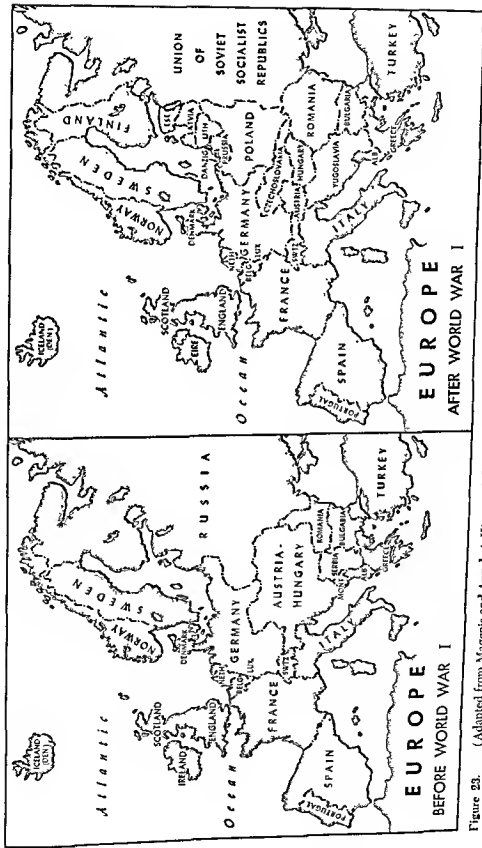


Figure 23. (Adapted from Magenis and Appel, *A History of the World*, American Book Co., 1955)

formulated a program—known as the Fourteen Points—which he considered necessary for a just and durable peace. A summary of these points follows:

- (1) Open covenants of peace, openly arrived at—the abolition of secret diplomacy.
- (2) Absolute freedom of the seas in time of war as well as in time of peace.
- (3) The removal, as far as possible, of all economic barriers and the establishment of an equality of trade conditions.
- (4) Reduction of armaments.
- (5) An impartial adjustment of colonial claims, with proper consideration of the people concerned.
- (6) The evacuation of all Russian territory and an unhampered opportunity for Russia to determine independently her own political development and national policy.
- (7) The evacuation and restoration of Belgium.
- (8) The evacuation and restoration of France and the return of Alsace-Lorraine to France.
- (9) A readjustment of the frontiers of Italy along nationality lines.
- (10) A free opportunity for autonomous development for the subject people of Austria-Hungary.
- (11) Evacuation and restoration of Romania, Serbia, and Montenegro; free access to the sea for Serbia.
- (12) Autonomous development for the non-Turkish nationalities of the Turkish Empire and the internationalization of the Straits of the Bosphorus and the Dardanelles.
- (13) Restoration of an independent Poland, with free access to the sea guaranteed by international agreement.
- (14) *The formation of a general association of nations for the purpose of giving mutual guarantees of political independence and territorial integrity to great and small states alike.*

The governments of Great Britain, France, and Italy made no objection to the Fourteen Points, but neither did they officially accept them. Nevertheless, many people considered them the war aims of the Allied Powers and the basis upon which peace would be negotiated. The armistice with Germany made it clear that the peace treaty would be based on the Fourteen Points, with three reservations. First, Great Britain reserved the right of freedom of action at the peace conference on the second point—that is, absolute freedom of the seas in time of war as well as in time of peace. Second, the Allies insisted that “restoration” of territory must include reparation for damages done to the Allied civilian population

and their property by German aggression. Third, point ten, calling for the autonomous development for the subject people of Austria-Hungary, was changed to independence for those people.

### *The Paris Peace Conference*

The conference to decide the peace terms convened in Paris in January, 1919, with only the victorious Allied nations represented. Although all of the thirty-two Allied nations sent delegates, the fundamental decisions were made by the "Big Four"—Georges Clemenceau, Premier of France; David Lloyd George, Prime Minister of Great Britain; Vittorio Orlando, Prime Minister of Italy; and Woodrow Wilson, President of the United States.

At the Paris Peace Conference, a conflict of interests among the nations handicapped harmonious procedure. First, Wilson's ideal of a "just and durable peace" based on the Fourteen Points was in conflict with Clemenceau's desire for a vengeful peace to weaken Germany so that France would be assured of security against future German aggression.

Second, the secret treaties negotiated by the Allied Powers before the United States entered the war provided for a division of much of the territory of the Central Powers among the victorious Allied nations. A secret agreement among Russia, France, and Great Britain, for example, provided for the division of almost all of European Turkey and much of Asiatic Turkey among the three powers. In other secret treaties, Italy was promised Austrian territory at the head of the Adriatic Sea and down its eastern shore and the Greek Dodecanese Islands in the Aegean Sea, and Japan was allowed to take over all German rights in the Chinese province of Shantung and the conquered German islands in the Pacific Ocean north of the equator. These arrangements ran counter to the principle of self-determination—that is, the right of a nationality in subjection to decide its own governmental status—supported by Wilson. The subject nationalities under the domination of Russia, Austria-Hungary, and Turkey were stirred deeply by Wilson's promises of self-determination and worked for the realization of their nationalist desires, which were in direct conflict with the provisions of the secret treaties.

Third, the delegates from the European Allied Powers were guided to a large extent by the intense hatred their people had for the Central Powers, particularly for Germany. This hatred had built up during the war years, and there was little desire among the